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# HISTORY OF THE AMERICAN NATION



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VOLUME VI

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Old Trouble Between the United States and Great Britain Submitted to Arbitration.—Points in Dispute.—Referred to Hague Tribunal.—Settlement in Favor of United States.—America's Colonial Possessions.—Their Area and Population.—Strategic and Commercial Importance.—Official Figures Showing Volume of Trade and What it Means to This Country.

For over 130 years the United States and Great Britain had been in dispute over the right to take fish in north Atlantic waters, Great Britain stoutly insisting that its citizens had exclusive privileges in this line. The feeling at times ran so high that there was imminent danger of armed interference by one, or both of the powers, and on several occasions there were forcible seizures of fishing craft which were said to be violating the treaty of 1818. Under this latter treaty the people of the United States were given liberty, in common with British subjects, to take fish of any description along the southern coast of Newfoundland, and certain parts of the Labrador coast. In return for this the United States renounced forever the right to fish within three miles of the coasts of British North America not included in the specially exempted territory.

So far as mere fishing rights were concerned the treaty of 1818 was plain enough, and there was no reasonable grounds for misunderstanding or dispute. Trouble arose over the right of Americans to obtain supplies of bait fishes in the waters of Newfoundland, the only place where they are to be had. Newfound-

land denied this right to American fishermen, and the governments of Canada and Great Britain became involved. A crisis was fast approaching when it was finally decided (January, 1909,) to submit the matter to the Hague tribunal, the following arbitrators being selected:

Prof. H. Lammasch of Austria, president; Dr. Luis Drago of Argentine, Jhr. M. A. F. de Savornin Lohman of Holland, Sir Charles Fitzpatrick of Great Britain, and Judge George Gray of the United States.

Counsel on behalf of the United States were Chandler P. Anderson of New York, agent; Elihu Root, senator from New York; George Turner of Spokane, Wash.; Samuel J. Elder of Boston, Mass.; Dr. James Brown Scott, solicitor of the State department; Charles B. Warren, of Detroit, Mich., and Robert Lansing, of Watertown, N. Y.

Counsel on behalf of Great Britain were A. B. Aylesworth, minister of justice of Canada, agent; Sir William Robinson, K. C., attorney-general for England; Sir Robert Finly, K. C., former attorney-general for England; Sir H. Erle Richards, K. C., of England; John S. Ewart, K. C., of Canada; George W. Shepley, K. C., of Canada; W. N. Tilley, of Canada; Sir Edward Morris, K. C., premier of Newfoundland; Sir James Winter, K. C., former attorney-general of Newfoundland, and D. Morrison, K. C., attorney-general of Newfoundland.

September 7th, 1910, the tribunal decided in favor of the United States on all the principal points at issue. It held:

1st—That Great Britain has a right to make regulations for the preservation of its fisheries without the consent of the United States, but that if the latter country should object to any new regulation it must not be put into effect until a permanent mixed fishery commission has passed upon it.



2d—Inhabitants of the United States have the right to employ non-inhabitants as members of their fishing crews, but such non-inhabitants derive no benefit or immunity from the treaty.

3d—Exercise of fishing liberty by inhabitants of the United States should not be subjected to the purely commercial formalities of report, entry and clearance at a custom house, nor to light, harbor or other dues not imposed upon Newfoundland fishermen.

4th—There can be no restriction of the privileges granted by treaty to enter certain bays and harbors for shelter, repairs, wood and water, but, in order that these privileges may not be abused, American fishermen entering such bays or harbors for the purposes named, and remaining over forty-eight hours, can be required to report in person or by telegraph to some custom house, or customs official.

5th—Giving official definition to the word "bay" within the meaning of the treaty.

6th—American fishermen are entitled to take fish of every description (this includes bait fishes) on all the treaty coasts in Newfoundland and Labrador.

7th—American fishermen have the same commercial privileges on the treaty coasts as are accorded by agreement or otherwise to United States trading vessels generally, provided the liberty of fishing and the commercial privileges are not exercised concurrently.

This report was signed by the five arbitrators, there being no dissenting opinion except in the case of Paragraph 5. In this instance D. Drago, the president of the tribunal, said he could not wholly endorse the views of his brother members as to the definition of the word "bay."

In this connection the report reads: "In case of bays three marine miles are to be measured from a

straight line drawn across the body of water at the place where it ceases to have the configuration and characteristics of a bay. At all other places the three marine miles are to be measured following the sinuosities of the coast. Considering that the tribunal cannot overlook that this answer to question five, although correct in principle and the only one possible in view of the want of a sufficient basis for a more concrete answer, is not entirely satisfactory as to its practical applicability and that it leaves room for doubts and differences in practice; therefore the tribunal considers it its duty to render the decision more practicable and to remove the danger of future differences by adjoining to it a recommendation in virtue of the responsibilities imposed by article IV of the special agreement. Considering, moreover, that in treaties with France, with the North German confederation and the German empire and likewise in the North sea convention, Great Britain has adopted for similar cases the rule that only bays of ten miles width should be considered as those wherein the fishing is reserved to nationals, and that in the course of negotiations between Great Britain and the United States a similar rule has been on various occasions proposed and adopted by Great Britain in instructions to the naval officers stationed on these coasts, and that though these circumstances are not sufficient to constitute this a principle of law, it seems reasonable to propose this rule with certain exceptions, all the more that this rule with such exceptions has already formed the basis of an agreement between the two powers."

At the close of 1910 the United States controlled seven non-contiguous colonies (they are officially known as territories) with a combined population of 9,035,713, and an area of 1,414,711 square miles, exclusive of Hawaii, the area of which it appears to be

impossible to get accurately. These territories consist of:

Philippine Islands—Area 832,968 square miles, population 7,635,436. Ceded by Spain, December 10, 1898.

Alaska—Area 577,390 square miles, population 64,356. Purchased from Russia in March, 1867.

Porto Rico—Area 3,600 square miles, population, 1,118,012. Ceded by Spain, December 10, 1898.

Hawaii—Exact area unknown, population 194,909. Annexed by United States July 7, 1898.

Guam—Area 200 square miles, population 9,000. Ceded by Spain December 10, 1898.

Tutuila—Area 79 square miles, population 4,000. Acquired by United States in January, 1900.

Panama Canal Zone—Area 474 square miles, population small aside from the temporary canal force. Bought from Panama February 26, 1904.

Of these possessions the most important in a commercial way is Hawaii. In 1910 the Hawaiian trade with the United States amounted to \$66,450,305. Of this \$46,161,288 was represented by shipments to this country, and \$20,289,017 by merchandise bought here. The principal Hawaiian products are sugar, coffee, fruits, wool and rice. Iron, steel and machinery constitute the main purchases made for the islands.

Next in importance (commercially) comes Porto Rico. The commerce of the island in 1910 amounted to \$58,082,311. Of this \$32,272,940 was in exports, and \$25,809,371 in imports. As free trade exists between Porto Rico and this country the United States naturally gets the largest part of the island trade, its share last year being \$48,663,508 out of the total of \$58,082,311. The chief exports are coffee, oranges, brown sugar and tobacco. Imports consist mainly of machinery, and manufactured articles.



While the Philippines stand a little higher than Porto Rico in the total volume of trade, it being \$58,-\$785,960, a large part of this goes to foreign countries and the United States does not begin to get the same relative proportion that it does in Porto Rico, although there is a constant improvement in this direction, and American merchants are obtaining more and more recognition. In 1910, for instance, the United States sent merchandise valued at \$16,768,-909 to the Philippines, as against only \$11,182,175 the previous year. Our imports showed an even larger increase, being \$17,317,897 in 1910, as compared with \$9,433,986 in 1909. The Filipinos buy largely of breadstuffs, cotton manufacturers, iron, steel and wood manufactures. Their sales are principally of raw manila and sugar.

Alaska has a trade surprisingly large considering the small population and immense extent of territory. In 1910 is footed up \$30,322,109, of which \$17,972,-647 represented goods shipped there, and \$12,349,462 the value of copper ore, salmon and whalebone sent to the United States. In addition to this there is a constant production of gold, the shipments of this metal to the United States in 1909 amounting to \$18,275,424, or considerably more than double the sum this country paid Russia (\$7,000,000) for Alaska in 1867. The sealing industry, which was originally the most important in the territory, appears to be dying out, the murderous, wasteful tactics of the sealers having decimated the herds to the point of extinction.

The other possessions count for little in the way of their trade, their acquisition being based solely on strategic grounds. The control of the canal zone was essential to the construction and effective policing of the canal, while Guam and Tutuila are of importance only as naval bases.

From the four possessions of Hawaii, Porto Rico, Alaska and the Philippines we derive a yearly trade amounting to \$179,522,728. If to this we add the \$18,275,424 in gold sent out of Alaska in 1909 we have a total of \$197,797,152, or close to \$200,000,000. What it costs in the way of official salaries, and army and navy expenses, to secure this trade is a matter which is attracting the attention of political economists, and the question, "does it pay?" is a subject of lively discussion.

Looked upon simply as financial investments it does not require much argument to show that, after the expenses of maintenance are met, the credit is on the wrong side of the ledger, if we place the United States solely in the attitude of a trader on its own account. But the territorial investments of governments should not be considered solely from this viewpoint. The people at large are benefitted by the trade thus built up, the nation is enabled to maintain military and naval stations of vantage, and the latent resources of the possessions are developed to the ultimate profit of the country which fosters them.

Continued occupation of the Philippines, for instance, is said to be justified, first in the interests of civilization, and secondly by the fact that the proper protection of American commerce and trade, not only with these islands, but with the Orient as a whole, makes it imperative that the United States should have a permanent base of operations in far Eastern waters.

## CHAPTER XCI.

1911

### PRINCIPAL EVENTS IN 1911.

New Treaty With Japan.—Opposition Over Non-Restriction of Immigration.—Passage of Reciprocity Bill.—Revival of Charges Against Senator Lorimer.—Panama Canal Exposition.—Resignation of Secretary Ballinger.—Attitude of His Successor.—Resignation of Secretary Dickinson.—Roosevelt Man Appointed in His Place.—Dissolution of Standard Oil and American Tobacco Companies Ordered.—Vetoes of Arizona Statehood and Wool Tariff Bills.—Accomplishments in Aviation.

February 20, 1911, President Taft sent to the Senate the draft of a new treaty with Japan which at once aroused a storm of protest, especially on the Pacific coast. The people of California asserted that the immigration restrictions of the old treaty were being violated, and an embarrassing condition had arisen. Under local laws California endeavored to meet the emergency, and attempted to administer certain statutes and ordinances that were objectionable to the Japanese, particularly one regulating the attendance at public schools in San Francisco. Japan protested, and the matter finally received the attention of the authorities at Washington.

It was as a result of this condition that President Taft had the new treaty drafted. There can be no question but that the relations between the United States and Japan were badly strained at the time. Japan, flushed with victory in its war with Russia, was not easy to deal with diplomatically. The people of the Pacific coast, whether justly or not, affected to fear an invasion of Japanese subjects that would



have an injurious effect on native labor, when the new treaty was presented.

This document did not make provision for any restriction of Japanese immigration; hence the opposition. It left to the discretion of the Japanese government, by agreement with the Japanese ambassador, enforcement at its own ports of such limitations as it might consider just and proper, making it a matter of national honor.

Senator Hale, of Maine, made vigorous objection. So did the Senators from California, and excitement was at fever height. The treaty was denounced as an abject, debasing, surrender by the United States to a minor power. Senator Hale, was especially bitter in his denunciation. He maintained that, in the making of treaties, nothing should be taken for granted; that the language should be explicit, and that everything should be stated clearly and plainly so there could be no excuse for misunderstanding. In this position he was supported by many of the Senators, and a crisis appeared to be impending. President Taft sent for Senator Hale, had a long conference with him, and Mr. Hale withdrew his opposition. What was said or presented at that conference may never be known, but it resulted in the treaty being ratified by the Senate on February 24, 1911.

The new treaty contains eighteen clauses, none of which are of any particular moment aside from that dealing with the immigration to this country of Japanese subjects. In this the Japanese ambassador declares that his government "is fairly prepared to maintain with equal effectiveness and control the limitation it has, for the last three years, exercised in the emigration from Japan of laborers to the United States."

At best it is an uncertain provision. It leaves to the discretion of Japan the volume and nature of the immigration to this country. Strictly construed, the government of the United States has absolutely nothing to say in this respect. The treaty provides that the citizens of both countries shall have equal rights in passage to and from their respective countries, and this seems to open a loophole for evasion of what was intended to restrict the immigration of laborers. Justice, however, compels us to say that, since its adoption, Japan has shown no disposition to take advantage of the situation, and that the immigration of Japanese laborers is no greater now than it was before the new treaty was ratified.

One of these days, perhaps, Mr. Taft may write his memoirs. If he does, the inside history of the treaty will constitute material for one of the most interesting chapters. That there must have been some powerful influence brought to bear to induce such men as Senator Hale and his followers to withdraw opposition to the treaty is certain. It is almost inconceivable that it was fear of open rupture with an inferior power. And yet at that time the United States was in a practically defenseless position so far as its Eastern possessions, the Philippines, Hawaii, Guam, and Tutuila, were concerned. Completion of the Panama canal may, perhaps, put a different aspect on the situation.

Early in February (the 9th), President Taft, started out to ascertain the real feelings of the people on the question of reciprocity with Canada. He began by making a tour of Ohio and Indiana, which was later extended into other states. He found the sentiment strongly in favor of the movement, and, through his influence, the bill then pending before Congress was adopted by the House, February 13th, by a vote of 221 to 92. Party lines were ignored. Of the 221

favorable votes 78 were cast by Republicans and 143 by Democrats. A majority of the Republican members (87) voted against it, and were joined by 5 Democrats. It was later taken up and ratified by the Senate.

In one respect this was an important personal victory for Mr. Taft. He was opposed by the strongest men in his party, men who argued with considerable force that support of the reciprocity movement meant nothing less than abandonment of the time-honored principle of protection on which the Republican party had been built up since the civil war. If it were not for the insurgent, the "progressive," movement within the party ranks it is probable that Mr. Taft would have been defeated. But the time for a change in tariff policies was ripe, and the victory was an overwhelming one.

September 21st the people of Canada, by an overwhelming vote, rejected the reciprocity proposition. Sir Wilfrid Laurier and his Liberal cabinet, which had supported the proposition and strongly urged its adoption were driven from power, and the government turned over to the Conservatives. The cry was raised by the opponents of the measure that reciprocity meant the annexation of Canada to the United States, and this was distasteful to the great majority of Canadians regardless of their feelings on the question of reciprocity. It was, of course, an unfounded assertion, but it had effect. The national jealousy of the Canadians was also aroused by the display at many polling places of banners reading "Taft, or King George?" an intimation that if the reciprocity measure was approved Canada would be governed by President Taft, instead of being subject to King George.

The charge that Senator Lorimer, of Illinois, had been elected to the United States Senate by bribery



was revived January 10, 1911, when Senator Beveridge, of Indiana, presented the following resolution and asked that Lorimer's seat be declared vacant on account of corruption:

"Resolved, That William Lorimer was not duly and legally elected to a seat in the Senate of the United States by the legislature of the state of Illinois."

At the same time Senator Owen, of Oklahoma, introduced a resolution of similar import, reading:

"Resolved, That the so-called election of William Lorimer on May 26th, 1909, by the legislature of the state of Illinois was illegal and void."

As previously told a committee of the Senate, after investigation, had on December 13th, 1910, reported the charges unverified, but this did not satisfy the opponents of Mr. Lorimer. Backed by powerful newspaper and other influences they insisted upon a rehearing, and a new committee was named. It heard testimony in Washington all through the early summer, adjourning to reconvene in Chicago in October.

Rivalry for the honor of holding the exposition to mark the opening of the Panama canal in 1915 was centered between the cities of New Orleans and San Francisco. The former had the advantage in the matter of location, being much nearer to the canal zone, but its claims to recognition were handicapped by the request that the national government should appropriate \$1,000,000 for a Federal exhibit. San Francisco made no such request, its people volunteering to assume all financial liability without Federal aid, and Congress endorsed the latter city. The first vote was a close one, New Orleans receiving 159 to 188 for San Francisco. On the final ballot San Francisco received 259 to 43 for New Orleans. It was the pledge of the California delegation to ask no financial assistance from the National government that won

the day. The exposition, however, in a way, is to be a national affair. The President is to extend invitations to representatives of foreign powers, and is expected to be in attendance to formally open the fair.

January 31st, 1911, the House passed the tariff board bill making that body permanent. The vote was 186 to 93, Champ Clark, the recognized leader of the Democracy, and 33 of his fellow members voting in the affirmative. The board, which is to arrange all tariff schedules for submission to Congress, consists of five members to be appointed by the President. They are to serve for six years, but are to be so appointed that the terms will be overlapping in order to prevent all the members retiring at the same time.

After repeated denials that he intended to resign, Mr. Ballinger, Secretary of the Interior, sent his resignation to President Taft, March 7th, 1911, and no time was lost in accepting it. This was the first break in the Taft cabinet, and resulted in a surprising change of policy in the administration of the affairs of the Interior Department. In accepting Mr. Ballinger's resignation President Taft referred to him as "a victim of one of the most unscrupulous conspiracies for the defamation of character that history can show," and yet Mr. Ballinger's successor, named almost immediately on receipt of the resignation, was Mr. Walter L. Fisher, of Chicago, a friend and supporter of Pinchot, and an ardent advocate of the latter's policies in opposition to those of Ballinger.

The appointment of Fisher came so quickly that it must be considered as having been decided upon in advance, and it indicated a change of policy in public land affairs that must have been distasteful to Mr. Ballinger. There is no evidence that the latter's resignation was asked for, but this is the inference,

although President Taft, by the unusual phrasing of his note of acceptance, evidently sought to create the contrary impression.

This left the cabinet of eight officials with three, or over one-third of the membership, from one ward in the city of Chicago, something unheard of before in the history of the United States, all of these three at the time of appointment to cabinet positions, being residents of the 21st ward of Chicago, viz: Franklin MacVeagh, Secretary of the Treasury; J. M. Dickinson, Secretary of War, and Walter L. Fisher, Secretary of the Interior.

As is well-known, the policy of the previous administration had been to divorce the timber and mineral rights from the surface land possession; to rent at a fair price the right to cut timber or mine minerals, and then dispose of the land to actual settlers. In a speech made at Seattle, Wash., September 8th, Mr. Fisher, the new Secretary of the Interior, indicated that this was to be his policy. He said that the value of the coal lands in controversy had been grossly exaggerated, but announced that, despite this, he would favor the opening and development of them, "but not under private ownership." He said that the plan of leasing the coal lands deserves consideration. Continuing, he said: "A great many very thoughtful men in the United States are of the opinion that the time will come when it will be necessary for the government to regulate the sources of fuel-power (coal and water falls) upon which industry depends. At the same time the opposition which government ownership and operation would encounter in Congress must be considered."

Shortly after Mr. Ballinger withdrew from the cabinet another member dropped out. This time it was Jacob M. Dickinson, Secretary of War, who tendered his resignation April 28th. It was not acted upon so



speedily as that of Mr. Ballinger, and on May 5th Mr. Dickinson repeated his request to be relieved from the duties of the position, owing to the press of private interests, but intimated that, on account of the Mexican war crisis, his withdrawal might embarrass the government, and if so he would be willing to remain in office until the emergency was over. Evidently this did not appeal to President Taft for on May 12th he named Mr. Henry L. Stimson, of New York, as Dickinson's successor. Mr. Stimson was Roosevelt's candidate for the governorship of New York state, and his selection for the important post of Secretary of War has been explained as a move by the President to heal factional differences in that state, and to influence the delegate vote of New York in the national convention of 1912.

In a final decision handed down May 15th the United States supreme court, affirming a finding of a lower court, held that the Standard Oil Company was an illegal combination in restraint of trade and must be dissolved, giving the company six months in which to wind up its affairs and go out of business. On all the main points of the ruling the supreme bench was unanimous, but Justice Harlan dissented to its interpretation of the Sherman anti-trust law, opposing discrimination between what the court called "good" and "bad" trusts. This decision affected some 1,100 similar corporations with 8,000 subsidiary branches, and \$10,600,000,000 of capital.

Two weeks later—May 29th—the same tribunal made the same ruling in the case of the American Tobacco Company, holding it to be an illegal combination in restraint of trade, and ordering its dissolution within six months. The points involved were about the same in both cases, and the decisions of the highest court in the country settled definitely the fact "illegal" combinations will not be allowed to

transact business in the United States. As pointed out by Justice Harlan, however, the decisions leave open to much quibbling and doubt the question of what constitutes an "illegal" combination. The illegality of a trust, according to the finding of the United States supreme court, must be established before it can be disciplined. It was this that gave rise to the distinction drawn between "good" and "bad" trusts, Justice Harlan maintaining that, under a strict construction of the law, there can be no such distinction; that all combinations are in violation of the anti-trust law.

At an extraordinary session of the 62d Congress convened April 4th, 1911, the Democratic leader, Champ Clark, of Missouri, was elected speaker, his opponent being Congressman James R. Mann, of Illinois, who was nominated by the Republicans. It was the first time since 1900 that the Democrats were able to obtain control.

In plain, emphatic language expressing strong disapproval of giving the people power to recall the judiciary, President Taft, on August 15th, vetoed the bill granting statehood to Arizona. The constitution adopted by the people of Arizona contained a clause providing for the recall of public officials including the judiciary, and this was made the basis of a veto message from President Taft in which he expressed his disapproval in a manner which could not be misunderstood.

Admitting that the people about to organize a state should, as a general thing, know better the kind of government and constitution suited to their needs than Congress or the executive, he insisted that when such a constitution contains something so destructive of free government as the judicial recall it is the duty of the executive to veto it. He held that the right to exercise this power (the recall) would ter-

rorize the judiciary, make it the creature of popular whim or clamor, and prevent it from exercising its functions in an unprejudiced, impartial manner.

It was the President's contention that the recall would afford the very elements whose influence it is sought to combat opportunity to exert themselves to an even more forceful degree than before. It was pointed out that the recall would be exercised in the heat of popular excitement, when calm reason would have little play. On this point the President said:

"Think of the opportunity such a system would give to unscrupulous political bosses in control, as they have been in control not only of conventions but elections!

"Supporters of such a system seem to think that it will work only in the interest of the poor, the humble, the weak and the oppressed; that it will strike down only the judge who is supposed to favor corporations and be affected by the corrupting influence of the rich. Nothing could be further from the ultimate result.

"What kind of judgments might those on the unpopular side expect from courts whose judges must make their decisions under such legalized terrorism? The character of such judges would deteriorate to that of trimmers and timeservers and independent judicial action would be a thing of the past.

"A popular government is not a government of a majority, by a majority, for a majority of the people—it is a government of the whole people, by a majority of the whole people, under such rules and checks as will secure a wise, just and beneficial government for all the people.

"Real reforms are not to be effected by patent short cuts or by abolishing those requirements which the experience of ages has shown to be essential in dealing justly with every one."



This was the first veto of real far-reaching importance exercised by President Taft, and was at the start attacked by the advocates of the recall system. As the President's position came to be more clearly understood, and his arguments closely analyzed, calmer counsels prevailed and his finding was finally accepted as a just one. The public generally came to understand that it would establish a dangerous precedent to make the judiciary the football of political leaders with power to sway elections, and would, in effect, tend to make the courts the abject tools of men who could control voters. Judges subject to recall would be afraid to rule against the powers that could deprive them of their places on the bench.

Following closely upon this came a veto of the wool tariff bill, sent to Congress August 17th, the President in his message saying that he considered the measure destructive to American industry, and in violation of the declarations of the platform on which he was elected.

The wool tariff bill was fathered by Representative Underwood, chairman of the ways and means committee of the House, and by Senator La Follette. Commenting upon the bill the President said:

"I was elected to the presidency as the candidate of a party which in its platform declared its aim and purpose to be to maintain a protective tariff by 'the imposition of such duties as will equal the difference between the cost of production at home and abroad, together with a reasonable profit to American industries.'

"I have always regarded this language as fixing the proper measure of protection at the ascertained difference between the cost of production at home and that abroad, and have construed the reference to the profit of American industries as intended not to add a new element to the measure stated or to ex-

clude from the cost of production abroad the element of a manufacturer's profit, but only to emphasize the importance of including in the American cost a manufacturer's or producer's profit reasonable according to the American standard.

"There is a widespread belief that many rates in the present schedule are too high and are in excess of any needed protection for the wool grower or manufacturer. I share this belief, and have so stated in several public addresses. But I have no sufficient data upon which I can judge how schedule K ought to be amended or how its rates ought to be reduced, in order that the new bill shall furnish the proper measure of protection and no more.

"Nor have I sources of information which satisfy me that the bill presented to me for signature will accomplish this result. The parliamentary history of the bill is not reassuring upon this point. It was introduced and passed in the House as providing a tariff for revenue only, and with the avowed purpose of departing from a protective tariff policy.

"The rate of duty on raw wools of all classes was changed from a specific duty of 11 cents a pound to 20 per cent ad valorem. On the average for the importations for the last two years this is a reduction from 47.24 per cent to 20 per cent.

"Rates on cloths were reduced in the bill from the present average duty of 97.27 per cent to 40 per cent and on wearing apparel from 81.31 per cent to 45 per cent.

"The bill was defeated in the Senate, and so was a substitute introduced as a protection measure. The proposed substitute fixed the duty on raw wool, first-class, at 40 per cent and on a second-class of carpet wools at 10 per cent, and on cloths at 60 per cent, and on wearing apparel at the same rate.

"On a reconsideration a compromise measure was

passed by the Senate, which was a compromise between the House bill and the Senate substitute bill, and in which the rate on first-class wool was fixed at 35 per cent, on carpet wools 10 per cent, and on cloths and wearing apparel 55 per cent.

"In conference between the two houses the rate on all classes of raw wool was fixed at 29 per cent, this being an increase on carpet wools of 9 per cent as fixed in the House bill, and of 19 per cent as fixed in the Senate bill. The conference rate on cloths and wearing apparel was fixed at 49 per cent.

"No evidence as to the cost of production here or abroad was published, and the compromise amendment in the Senate was adopted without reference to or consideration by a committee.

"I do not mention these facts to criticise the method of preparation of the bill; but I must needs refer to them to show that the congressional proceedings make available for me no accurate or scientifically acquired information which enables me to determine that the bill supplies the measure of protection promised in the platform on which I was elected.

"Without any investigation of which the details are available an avowed tariff-for-revenue and anti-protection bill is by compromise blended with a professed protection bill. Rates between those of the two bills are adopted and passed, except that, in some important instances, rates are fixed in the compromise at a figure higher, and in others lower, than were originally fixed in either house.

"The principle followed in adjusting the amendments of existing law is, therefore, not clear, and the effect of the bill is most uncertain.

"The Wilson tariff act of 1894, while giving the manufacturer free wool, provided as high duties on leading manufactures of wool as does the present bill, which at the same time taxes the manufactures'



raw material at 29 per cent. Thus the protection afforded to manufacturers under the Wilson bill was very considerably higher than under the present bill.

"During the years in which the Wilson bill was in force the woolen manufacturers suffered. Many mills were compelled to shut down. These were abnormal years, and it is not necessary to attribute the hard times solely to the tariff act of 1894. But it was at least an addition to other factors operating to injure the woolen business.

"More than a million of our countrymen are engaged in the production of wool and the manufacture of woollens; more than a billion of the country's capital is invested in the industry. Large communities are almost wholly dependent upon the prosperity of the wool grower and the wool manufacturer.

"Moderately estimated, 5,000,000 of the American people will be injuriously affected by any ill-advised impairment of the wool and woolen industries. Certainly we should proceed prudently in dealing with them upon the basis of ascertained facts rather than hastily and without knowledge make a reduction of the tariff to satisfy a popular desire, which I fully recognize, for reduction of duties believed to be excessive.

"I have no doubt that if I were to sign this bill, I would receive the approval of very many persons who favor a reduction of duties in order to reduce the cost of living, whatever the effect on our protected industries, and who fail to realize the disaster to business generally and to the people at large which may come from a radical disturbance of that part of business dependent for its life on the continuance of a protective tariff.

"If I fail to guard, as far as I can, the industries of the country to the extent of giving them the benefit of a living measure of protection, and business disas-

ter ensues, I shall not be discharging my duty. If I fail to recommend the reduction of excessive duties to this extent, I shall fail in my duty to the consuming public.

"There is no public exigency requiring the revision of schedule K in August without adequate information, rather than in December next with such information.

—"December was the time fixed by both parties in the last Congress for the submission of adequate information upon schedule K with a view to its amendment.

"Certainly the public weal is better preserved by delaying ninety days in order to do justice, and make such reduction as shall be proper, than now blindly to enact a law which may seriously injure the industries involved and the business of the country in general."

Four days later, August 21st, President Taft also vetoed the cotton bill, a measure originating in the House and carrying amendments affecting the iron, steel and chemical industries. The President's reasons for declining to sign the cotton bill were much the same as those given for withholding his signature from the wool tariff bill. He said:

"This bill thus illustrates and enforces the views which I have already expressed in vetoing the wool bill and the so-called free-list bill as to the paramount importance of securing, through the investigation and reports of the tariff board, a definite and certain basis of ascertained fact for the consideration of tariff laws. When the reports of the tariff board upon these schedules are received, the duties which should be imposed can be determined upon justly and intelligent appreciation of the effect that they will have both upon industry and upon revenue.

"Very likely some of the changes in this bill will

prove to be desirable and some to be undesirable. So far as they turn out to be just and reasonable I shall be glad to approve them, but at present the proposed legislation appears to be all a matter of guesswork.

"The important thing is to get our tariff legislation out of the slough of guesswork and logrolling and ex-parte statements of interested persons and to establish that legislation on the basis of tested and determined facts, to which shall be applied, fairly and openly, whatever tariff principle the people of the country choose to adopt."

The President denounced the bill as "empirical and haphazard." Thus, he declared, was especially true of the chemical schedule, which had been revised in such a way as to increase the tax on certain chemicals instead of reducing them.

"These," said the President, "are some of the typical inconsistencies and instances of haste in preparation and of the error of calculation in the proposed sweeping horizontal reduction of a most important schedule in the tariff."

After citing a number of increases made in the chemical schedule the President continued:

"But the most remarkable feature of this amendment to the chemical schedule remains to be stated. The internal revenues of this country to the extent of \$160,000,000 are dependent on the imposition of a tax of \$1.20 a gallon on distilled spirits. It has been necessary in all customs legislation to protect the internal revenue system against the introduction from foreign countries of alcohol in any form and in association with any other article except upon the payment of such a customs duty as shall make it unprofitable to import the alcohol into this country to be used in competition with alcohol or distilled spirits of domestic manufacture.

"Under the present bill all these precautions against the undue introduction of foreign alcohol in articles and compounds included in the chemical schedule are in fact abolished by striking out the specific duties per pound.

"I need hardly dwell on the disastrous effects such an amendment in reference to alcoholic compounds would have upon the internal revenue system of taxing distilled spirits, nor need I point out the opportunities for evasion and fraud thus presented. Of course the change was not intended, but if this bill became law it would be made.

"I cannot make myself a party to dealing with the industries of the country in this way. The industries covered by metals and the manufacture of metals are the largest in the country, and it would seem not only wise but absolutely essential to acquire accurate information as to the effect of changes which may vitally affect these industries before enacting them into law."

Speaking of the cotton industry, the President said the capital invested in 1909 amounted to \$821,000,000, the value of the product to \$629,000,000, the number of wage-earners to 379,000, making, with dependents, a total of at least 1,200,000 persons affected, with annual wages of \$146,000,000. The bill would not have gone into effect until January 1st next, and Mr. Taft said the tariff board would be ready with a report before that time. Investigation by the House ways and means committee, Mr. Taft said, was purely for the purpose of preparing a bill on a tariff for revenue basis.

"Pledged to support a policy of moderate protection," he added, "I cannot approve a measure which violates its principles."

Effort was made in the House to pass the wool bill over the veto, but it failed, the vote being 227 for



adoption and 129 against, or nine votes short of the required two-thirds majority.

Intimation of another upheaval in President Taft's cabinet was given September 15th when the President, in an official statement given out at Beverly, Mass., exonerated Dr. H. W. Wiley, chief of the bureau of chemistry, of the charges brought against him by the personnel board, which body had requested that Dr. Wiley "be allowed to resign."

In exonerating Dr. Wiley the President took occasion to warmly commend the work done by the chief chemist. This was interpreted as a direct slap at Secretary of Agriculture Wilson, and Attorney General Wickersham, both of whom had been instrumental in urging the charges against Dr. Wiley. Hint of an impending change in the cabinet, growing out of the executive's endorsement of Wiley against the wishes of two of his official advisors, was given by the President himself in the following significant language:

"The broader issues raised by the investigation, which have a much weightier relation than this to the general efficiency of the department, may require much more radical action than the question I have considered and decided."

The direct charges against Dr. Wiley were based on his engaging the services of Dr. H. H. Rusby, of New York, as an expert pharmacognocist in the bureau of chemistry, ostensibly on a salary of \$1,600 a year, the limit allowed, but really with the understanding that he was to only put in time enough at \$20 a day to keep within the \$1,600 limit. While this was the charge upon which Secretary Wilson, Attorney General Wickersham, and their supporters, sought to get rid of Dr. Wiley, it is well understood that the actual cause of hostility was his vigorous

enforcement of the Pure Food act, which was objectionable to many powerful interests.

In his official paper, which was addressed to Secretary Wilson, the President said:

"The truth is, the limitations upon bureau chiefs and heads of departments to exact per diem compensations for the employment of experts in such cases as this is a doubtful legislative policy, and one cannot withhold one's sympathy with an earnest effort by Dr. Wiley to pay proper compensation and secure assistance in the enforcement of so important a statute.

"If this were a knowing, willful, deliberate effort to evade the statute, accompanied by a scheme to conceal the evasion and violation, I should think the punishment recommended by the personnel board, and concurred in by the attorney general, was none too great; but an examination satisfies me that a different construction ought to be put upon what was done; that the evidence shows Dr. Wiley's action was in accord with precedents which justified him in doing what he did."

This executive endorsement of Dr. Wiley in the face of the powerful efforts made to oust him resulted in making public a peculiar situation in official circles. Assistant Secretary of Agriculture Hayes, who was in charge in the absence of Secretary Wilson, is a strong supporter of Dr. Wiley, and took little pains to conceal his satisfaction at the President's attitude, although it involved a rebuke to his official superior. Dr. Dunlap, first assistant to Dr. Wiley in the bureau of chemistry, was openly hostile to his chief, and is the man who formally preferred the charges against him. George P. McCabe, solicitor of the Agricultural Department, was instrumental in framing and prosecuting the charges. We thus find an important department of the government divided,

with a number of its leading officials working at cross purposes.

It is understood that Dr. Wiley will continue to be aggressive in his administration of the Pure Food law and, despite outside influences, will show no favoritism in the prosecution of offenders. When asked as to his future course in this respect he replied:

"The people have acted as if they like this law, haven't they?"

August 15th St. Croix Johnstone and W. R. Badger, aviators, were killed in making flights in aeroplanes at the Chicago meet. Five days later Lincoln Beachey, at the same meeting, established a new world's altitude record, reaching a height of 11,578 feet, or about two and one-fifth miles. A few days before Oscar A. Brindley had reached a height of 11,726 feet, but the judges declined to give him credit for it, asserting that the barograph which he carried was out of order and did not register correctly. Beachey's record was 428 feet better than that made by Captain Felix (11,150 feet) in France on August 5th. At the same meeting W. G. Beatty won the duration prize, remaining in motion in the air for three hours, forty-two minutes and twenty-two seconds. The best previous record was three hours, nineteen minutes and twenty-nine seconds, made by Amerigo, an Italian aviator, at Mulhausen, December 11th, 1910. Beachey and Beatty both used biplanes.

Harry Atwood left St. Louis in a biplane August 14th on a flight to New York. The total distance across country in a straight line is 1,265, miles, but the route traveled by Atwood was 1,365 miles. He made the journey in twelve days, landing in New York August 25th. His actual flying time was twenty-eight hours and thirty-one minutes, an average of nearly thirty-five miles an hour. He was making

the trip on a previously arranged schedule, being booked to stop at certain places at an agreed-upon time. This schedule was very closely followed throughout the entire trip. The best previous long-distance across-country flight was 1,164 miles made in thirty days.

Intimation that determined opposition would be made to the renomination of Mr. Taft as the Republican candidate for President in 1912 was given September 8th, 1911, when Albert B. Cummins, United States Senator from Iowa, announced that he would support Robert M. LaFollette, of Wisconsin, for the nomination. In this Senator Cummins is understood to have the co-operation of Senator Bourne, of Oregon, and other strong men. About the same time it was made public that strong influence would be exerted in favor of former Governor Charles E. Hughes, of New York, now a justice on the United States Supreme bench.

It is evident that, unless a truce is arranged, which at this time does not seem likely, Mr. Taft will meet with serious opposition should he be a candidate for renomination, as now seems likely. The "insurgent" or progressive element will not accept him, and it is well understood that the Roosevelt influence will be against him. Since Mr. Roosevelt's arraignment of the Taft policy of international arbitration, and the positive manner in which he voiced it, there can be no reasonable doubt that, on public questions at least, the former President is not in harmony with Mr. Taft. Up to the time of this crucial arraignment in print there was considerable doubt as to Mr. Roosevelt's attitude in this matter, especially in view of the fact that some time before he had declared himself for Taft. Since then, however, a number of things have occurred which would induce almost any man to change his mind. Among these was the



ignominious dismissal and humiliation of Mr. Roosevelt's friend Gifford Pinchot, and presidential endorsement of the plan to overthrow the pet Rooseveltian policy of conservation. It is difficult to believe that a man of Mr. Roosevelt's temperament has not smarted under these affronts, and that he will allow them to pass unchallenged. One proof of this may be seen in the former President's attack on Mr. Taft's plan to establish a court of nations for the settlement of international disputes. One does not have to read between the lines of that article to discern the fact that the writer has no love for the man whose official action he discusses.

## CHAPTER XCII.

1911—1912

### ROOSEVELT CRITICIZES TAFT'S POLICY.

Attack on Taft's Plan for a Court of Nations.—Significant Article Written by Roosevelt.—Explanation of the Plan by Mr. Taft.—The Roosevelt Criticism.—National Honor of More Importance Than Mere Peace.—Humiliation Should be Avoided.—Proposed Treaty Denounced as Defective and Silly.—No Moral Movement Helped by Hypocrisy.—Weak Spots Pointed Out.—President has no Right to Depute His Powers to Outsiders.—Man who Would do so is Unfit to be President.

Evidence of a serious rupture in the relations of President Taft and former-President Roosevelt, which had been suspected since the dismissal of Gifford Pinchot from the government service, was furnished September 7th, 1911, in the form of an editorial article, written by Mr. Roosevelt, and published in the Outlook magazine, in which the plans of the President for the establishment of a court of nations were boldly, and rather savagely, attacked. Following his usual custom Mr. Roosevelt wrote very plainly in opposition to the presidential plan; he did not mince his words; there could be no doubt as to his position.

What makes the article all the more significant is the fact that it appeared on the same day that President Taft was making a public speech at Hartford, Conn., in support of his new treaty proposition. It is the contention of the President that the treaties now in effect between the United States, Great Britain and France are too narrow, and should be replaced by broader compacts, the tendency of which would be to secure international peace by the submission of

all disputed questions to arbitration. In advocating this he said:

"The majority of the Senate committee on foreign relations say that they cannot consent that somebody else shall decide for them where a question arising in the future is within the provisions of the first article of this treaty, that for them to do so is to delegate their power to another tribunal and is to bind themselves by an obligation which they have no power to assume.

"It is the view of the minority, however, and with that view I am earnestly in accord, that the issue where a future difference shall be within the terms of the description of article 1 of the treaty, is an international question arising out of a construction of the treaty under a claim of right by one of the parties to an arbitration and is a question, therefore, that the President and the Senate, acting as a treaty-making power, have the right to agree by treaty to submit to a tribunal for final judgment.

"In what different way is the treaty-making power invoked when we ask the Senate to concur in a treaty which agrees to submit all justiciable differences to arbitration and when it is asked to agree to submit to arbitration the question whether a difference arising is justiciable or not under the treaty? I confess that I cannot see the distinction.

"The treaty-making power under the constitution, it has been decided by the supreme court, hardly knows definition or limit. It is one of the broadest powers conferred by the constitution and it is conferred upon the executive and the Senate. Certainly, it is not in the interest of the cause of peace that that power should be limited in such a way that other governments may make treaties of this kind and we may not.

"The ideal toward which we are all working with

these treaties is the ultimate establishment of an arbitral court to which we shall submit our international controversies with the same freedom and the same dependence on the judgment as in the case of domestic courts. If the Senate cannot bind itself to submit questions of jurisdiction arising under the treaty, as Norway and Sweden have done, for instance, then the prospect of real and substantial progress is discouraging.

"I call your attention to the unfortunate consequences, not only to ourselves but to the whole civilized world, not only for today but for ages to come, if the final adoption of this reasoning by the Senate committee is to prevail. Steadily throughout the world the burden of the creation of armies and fleets has grown heavier and heavier, steadily the competition has grown more fierce and is crushing the life and the hopes of the peoples.

"But steadily, too, and of late even more rapidly, has grown the hope that an escape from these burdens may be found; that in some measure, at least, the peaceful methods of settling disputes among individual men may obtain among the nations.

"Now, wherever good men and women the world over are longing and praying for the dawn of this great day of peace, their eyes turned first with hope and confidence to the great republic of the West, to the land whose ideals are of peace and justice, industry and freedom; to the land which, more than any other, has used the peaceful method of arbitration for the settlement of its differences with other nations. In this great movement we are the hope of the world."

In his article criticizing President Taft's plan, Mr. Roosevelt said:

"It is one of our prime duties as a nation to seek peace. It is an even higher duty to seek righteous-



ness. It also is our duty not to indulge in shams, not to make believe we are getting peace by some patent contrivance which sensible men ought to know cannot work in practice, and which, if we sought to make it work, might cause irretrievable harm.

"I sincerely believe in the principle of arbitration; I believe in applying that principle so far as practicable; but I believe the effort to apply it where it is not practicable cannot do good and may do serious harm. Confused thinking and a willingness to substitute words for thought, even though inspired by an entirely amiable sentimentality, do not tend toward sound action.

"I think the great majority of those persons who advocate any and every treaty which is called a treaty for peace or for arbitration would be less often drawn into a position that tends to humiliate their country if they would take the trouble to formulate clearly and definitely just what it is that they desire.

"The proposed arbitration treaty is defective, in the first place, because it is not straightforward. It sets forth that all 'justiciable' matters shall be arbitrated. The language, both of the opponents and the defenders of the treaty, shows that even among our own people, and before a cause for applying the treaty has arisen, there is hopeless confusion as to what 'justiciable' means. Such being the case, it can be imagined how useless would be the effort to define 'justiciable' when a serious conflict has actually arisen and blood was up and passion high.

"The wording of the treaty is so loose, it so lacks explicitness, as to allow one set of its advocates to announce that it binds us to arbitrate everything and another set to say that under it we would not have to arbitrate anything we did not wish to.

"Now, no moral movement is permanently helped by hypocrisy. Does the proposal in the treaties, if

entered into with various nations, bind us to arbitrate the Monroe doctrine, the Platt amendment with Cuba, the payment of state bonds to European bondholders, the question whether various European countries are entitled to the same concessions that Canada is to receive under the reciprocity agreement, the right of other nations to interfere in Panama, our own right to exclude any immigrants whom we choose to exclude?

"The fatally objectionable feature of the proposed treaty is the clause providing that the joint high commission, which may be composed exclusively of 'nationals of the two countries,' but which also may be composed exclusively of foreigners, may, by unanimous vote, or by vote of all but one of its members, determine that any given question whatever must be arbitrated. It is difficult to characterize this provision truthfully without seeming to be offensive. Merely to speak of it is as silly comes far short of saying what should be said.

"No sound argument can be made for permitting the President and the Senate to delegate to outsiders, possibly to foreigners, the exercise of a fundamental and vital power.

"It would be quite proper to delegate to the joint high commission many subordinate functions, but the high, the supreme function of deciding whether a question is of such vital importance to the country that it is or is not arbitrable, cannot with propriety be delegated to any outsider by either the President or the Senate.

"If the President, after consulting with his constitutional advisers, the Senate, should not make up his own mind about such a vital question, and had to have it made up for him by outsiders—possibly foreigners, and certainly not responsible to the people—it would be proof positive that he was not fit to hold

the exalted position to which he had been elected. A President unfit to make such a decision himself, and willing to have somebody else make it for him, would also be unfit to perform any of the really important duties of the presidency."

In the last paragraph may be read what many deep-thinking people will construe as a direct challenge of the fitness of Mr. Taft to fill the office of President, based on his avowed willingness to depute to others duties which Mr. Roosevelt maintains should be attended to by the President himself in consultation with the Senate. True, no names are mentioned, and the statement is general in character but it is plain that it aimed at Mr. Taft.

As 1911 advanced it became evident that the break between Mr. Roosevelt and President Taft was a serious one, but it was not until well into 1912 that it was made plain what the Rooseveltian policy would be regarding President Taft's renomination. In the meantime Mr. Roosevelt had become the dominating spirit in the Progressive movement, a sort of bolt with the Republican party as a protest against the control of that party by the trusts and special interests.

Organization of the National Progressive Republican League was effected at Washington, D. C., January 21st, 1911, by Republicans who were dissatisfied with the tendency of the party managers to recognize certain influences which were denounced as harmful to true Republicanism and the country at large. Senator Jonathan Bourne, Jr., of Oregon, was made president of the league, his active co-laborers being Joseph L. Bristow, Norris Brown, Moses E. Clapp, Albert E. Cummins, Joseph M. Dixon, A. J. Gronna, Robert M. LaFollette and Miles Poindexter, most of them being United States senators, and men of great power and influence. Associated with them

were a number of state governors, including Gov. Chester H. Aldrich, of Nebraska; Joseph M. Carey, of Wyoming; Hiram W. Johnson, of California; W. R. Stubbs, of Kansas; F. E. McGovern, of Wisconsin, and Chas. S. Osborn, of Michigan.

Up to this time no mention had been officially made of Mr. Roosevelt as the candidate of the Progressive party for President, and in the following October, 16th and 17th, when the first regular conference of the party was held in Chicago, Senator LaFollette, of Wisconsin, was endorsed as the logical nominee. In its declaration of principles the party advocated the election of United States senators by direct vote of the people; direct primaries for the nomination of all elective officials; direct election of delegates to national conventions with opportunity for the voter to express his preference for president and vice-president; amendment of state constitutions to provide for the initiative, referendum and recall, and a thorough and general corrupt practices act. Both parties were arraigned for having brought about an unbearable condition of political affairs.

Senator LaFollette accepted the call of the Progressives and in December began an aggressive campaign in Ohio, continuing it in Michigan and Illinois in January, 1912. He encountered opposition within the Progressive ranks almost from the start of his campaign, although there was no really hostile sentiment when the conference endorsed him. The first signs of dissatisfaction came from Ohio and Michigan. In the former state Gifford Pinchot and James R. Garfield refused him support, and in Michigan he was severely criticised by Governor Osborn. Then Governor Stubbs, of Kansas, joined the ranks of the anti-LaFollette men, and the fight to prevent his nomination was on in earnest. The crisis came at Philadelphia, at a banquet of the Periodical Publish-



ers' Association, on February 3d, when Mr. LaFollette made an ill-advised attack on the press, causing widespread hostility among newspaper men. He then canceled all his speaking engagements on the plea of illness, and virtually abandoned his campaign. His attack on the press was cited by his enemies as the act of an irresponsible man and used as an illustration of why it would be unwise to make him a presidential nominee. This had effect, and from then on LaFollette was little heard of. He was a favorite in the preferential primary in North Dakota, and in Wisconsin, but aside from this had little strength and went into the national convention at Chicago a beaten man, his most ardent supporters admitting that he had no chance to get the nomination.

In the meantime it had become evident that the Roosevelt influence would be cast against Taft. It was conceded that the President might, and probably would, be renominated in the convention, but it was well understood that he would encounter serious opposition both in the convention and at the polls.

Up to this time there had been no serious intention of naming a third ticket, most of the Progressive leaders believing that with a strong candidate they could win in the regular Republican convention and force the nomination of their man and the adoption of an ultra Progressive platform. With LaFollette out of the way the question became one of "who is the most available man?" Instantly the name of Roosevelt was launched, and there was insistent demand by the people of many strong Republican states that he consent to be a candidate. But Mr. Roosevelt was in a peculiar position. As far back as 1904, and again in 1907, he declared that he would not accept a nomination for a third term. In response to an appeal signed by the governors of a number of

Republican states, however, Mr. Roosevelt agreed to ignore his anti third-term declaration, these governors insisting that the question was no longer a personal one, and that Mr. Roosevelt, or no other man, had the right to ignore the request of the people when an acceptance meant so much to the country at large. In their appeal the governors said:

"We, the undersigned, Republican governors, assembled for the purpose of considering what will best insure the continuation of the Republican party as a useful agency of good government, declare it our belief, after a careful investigation of the fact, that a large majority of the Republican voters of the country favor your nomination, and a large majority of the people favor your election as the next President of the United States.

"We believe that your candidacy will insure success in the next campaign. We believe that you represent, as no other man represents, those principles and policies upon which we must appeal for a majority of the votes of the American people, and which, in our opinion, are necessary for the happiness and prosperity of the country.

"We believe that in view of this public demand, you should soon declare whether, if the nomination for the Presidency come to you unsolicited and unsought, you will accept.

"In submitting this request we are not considering your personal interests. We do not regard it as proper to consider either the interests or the preference of any man as regards the nomination for the Presidency. We are expressing our sincere belief and best judgment as to what is demanded of you in the interests of the people as a whole. And we feel that you would be unresponsive to a plain, public duty if you should decline to accept the nomination, coming as the voluntary expression of the wishes of

a majority of the Republican voters of the United States, through the action of their delegates in the next national convention."

The letter was signed by the following governors: William E. Glasscock, West Virginia; Chester H. Aldrich, Nebraska; Robert P. Bass, New Hampshire; Joseph M. Carey, Wyoming; Chase S. Osborn, Michigan; W. R. Stubbs, Kansas; Herbert S. Hadley, Missouri.

Writing from New York, under date of February 24th, 1912, Mr. Roosevelt responded as follows:

"Gentlemen—I deeply appreciate your letter and I realize to the full the heavy responsibility it puts upon me, expressing, as it does, the carefully considered convictions of the men elected by popular vote as the heads of government in their several states.

"I absolutely agree with you that this matter is not one to be decided with any reference to the personal preferences or interests of any man, but purely from the standpoint of the interests of the people as a whole. I will accept the nomination for President if it is tendered to me, and I will adhere to this decision until the convention has expressed its preference.

"One of the chief principles for which I have stood and for which I now stand and which I have always endeavored and always shall endeavor to reduce to action is the genuine rule of the people; and therefore, I hope that, so far as possible, the people may be given the chance through direct primaries to express their preference as to who shall be the nominee of the Republican presidential convention.

"Very truly yours,

"Theodore Roosevelt."

Three days before this letter was written Mr. Roosevelt made a speech (it was delivered on Febru-

ary 21st) before the Ohio constitutional convention which was accepted as an indication that he was seriously considering becoming a candidate. On this occasion he said:

"I believe in providing for direct nominations by the people, including therein direct preferential primaries for the election of delegates to the national nominating conventions.

"I believe in the election of United States senators by direct vote.

"I believe in the initiative and the referendum, which should be used, not to destroy representative government, but to correct it whenever it becomes misrepresentative.

"I do not believe in adopting the recall [of judges] save as a last resort, when it has become clearly evident that no other course will achieve the direct result. But either the recall will have to be adopted or else it will have to be made much easier than it now is to get rid, not merely of a bad judge, but of a judge who, however virtuous, has grown so out of touch with social needs and facts that he is unfit longer to render good service on the bench. It is nonsense to say that impeachment meets the difficulty. In actual practice we have found that impeachment does not work, that unfit judges stay on the bench in spite of it, and, indeed, because of the fact that impeachment is the only remedy that can be used against them.

"We should hold the judiciary in all respect, but it is both absurd and degrading to make a fetich of a judge or of any one else."

There could no longer be any doubt as to Mr. Roosevelt's attitude. It was plain that he was willing to become the standard bearer of the Progressive party, mean what it might to his old favorites in the Republican organization. Severe criticism has been made



of his action in this respect, especially in view of his previous declaration that he would not again be a candidate. But the conditions had undergone a radical change. There was a demand for a lion-hearted man, and Roosevelt seemed to fill the bill. And the demand was made in a way which it was difficult to resist. That the people of the country thought Mr. Roosevelt was right was shown by the enormous vote he received. Right or wrong, the die was cast; the battle was on, and the world was to witness the most sensational political battle ever fought.

## CHAPTER XCIII.

1912

### WILSON-ROOSEVELT-TAFT CAMPAIGN.

Fight for Control of Republican National Convention.—Division on Personal Lines.—Contest in Credentials Committee.—Withdrawal of Roosevelt Men.—Roosevelt Denounces Tactics of Taft Managers.—Nomination of Taft. Organization of Progressive Party.—Democratic National Convention.—Nomination of Woodrow Wilson.—Bryan's Revolt Against Tammany Hall.—Stormy Scenes in the Convention.—Bryan's "Swan Song."—Presidential Campaign of 1912.—Comparison of the Platforms.—Final Result as Recorded in the Electoral College.

After it became evident that Roosevelt intended to enter the contest for the Republican nomination, interest centered in the struggle for delegates. It was generally conceded that, with the power of Federal patronage back of him, President Taft could secure a majority of these delegates, but it was also known that most of them would come from Southern states from which no Republican electoral votes could be expected. This being the case the Roosevelt managers expected that the convention would listen to their argument and give the nomination to the man who could control the rock-bound Republican states. It was on this basis the fight was waged.

For the first time in the history of the country the people were given an opportunity by both of the leading parties to express a choice for president. It soon became evident that Roosevelt was the choice of the voters in the Republican states, Taft of those in the South, while Champ Clark and Wilson divided the interest of the Democrats. Roosevelt, Wilson and Clark personally addressed meetings in various parts

of the country. Mr. Taft mainly confined his efforts to letter writing, and was represented on the stump solely by lieutenants, with the exception of a few occasions before the convention. The controversy was bitter, especially as between Taft and Roosevelt.

The Republican convention was held in Chicago, June 18th to 22d, 1912. The names of Taft, Roosevelt, LaFollette and Cummins were presented for the presidential nomination. Almost immediately there began a wrangle over the action of the committee on credentials in deciding contests in favor of the Taft delegates, the standard vote being 34 to 14. Claim was made by the Roosevelt adherents that this was an attempt to legalize the stealing of the delegations from Arizona, California, Texas and Washington, and turn them over to Taft. Finally the Roosevelt members of the credentials committee withdrew and met at the Congress hotel, when Mr. Roosevelt said:

"So far as I am concerned I am through. If you are voted down I hope you—the real and lawful majority of the convention—will organize as such and you will do it if you have the courage and loyalty of your convictions."

Following this the subjoined resolution was adopted:

"The Roosevelt delegates will not permit the title to the nomination of the presidency of the United States to be stolen. If the action of the convention on the report of the committee on credentials removes from the roll the fraudulently seated delegates, the Roosevelt forces will continue in the convention. If it does not, they will remain in their seats and will cease to vote with any delegates fraudulently seated and will not consider themselves bound by any of its acts."

There was some talk of a bolt from the convention, but it was decided to return and take part in the pro-

ceedings, pending the final action of the body. When the convention endorsed the action of the credentials committee in seating the Taft delegates, Henry J. Allen, of Kansas, made a speech of protest, during which he read the following statement prepared by Mr. Roosevelt, making it plain that his supporters would not abide by the action of that body:

"A clear majority of the delegates honestly elected to this convention were chosen by the people to nominate me. Under the direction and with the encouragement of Mr. Taft, the majority of the national committee, by the so-called 'steam roller' methods, and with scandalous disregard of every principle of elementary honesty and decency, stole eighty or ninety delegates, putting on the temporary roll call a sufficient number of fraudulent delegates to defeat the legally expressed will of the people, and to substitute a dishonest for an honest majority.

"The convention has now declined to purge the roll of the fraudulent delegates placed thereon by the defunct national committee, and the majority which thus indorsed fraud was made a majority only because it included the fraudulent delegates themselves, who all sat as judges on one another's cases. If these fraudulent votes had not thus been cast and counted the convention would have been purged of their presence. This action makes the convention in no proper sense any longer a Republican convention representing the real Republican party. Therefore I hope the men elected as Roosevelt delegates will now decline to vote on any matter before the convention. I do not release any delegate from his honorable obligation to vote for me if he votes at all, but under the actual conditions I hope he will not vote at all.

"The convention as now composed has no claim to represent the voters of the Republican party. It represents nothing but successful fraud in over-rid-



ing the will of the rank and file of the party. Any man nominated by the convention as now constituted would be merely the beneficiary of this successful fraud; it would be deeply discreditable to any man to accept the convention's nomination under these circumstances; and any man thus accepting it would have forfeited the right to ask the support of any honest man of any party on moral grounds.

"Theodore Roosevelt."

When the vote for presidential nominee was taken Taft received 561, Roosevelt 107, LaFollette 41 and Cummins 17. Roosevelt men to the number of 344 refrained from voting. James S. Sherman, of New York, was named for vice president.

Shortly after adjournment of the convention Senator Joseph M. Dixon, of Montana, sent out a call for a Progressive convention to be held in Chicago, August 5th, it being signed by representative men from every state in the Union. The wording of this call was:

"To the people of the United States, without regard to past differences, who, through repeated betrayals, realize that today the power of the crooked political bosses and the privileged classes behind them is so strong in the two old party organizations that no helpful movement in the real interests of our country can come out of either;

"Who believe that the time has come for a national progressive movement—a nationwide movement—on non-sectional lines, so that the people may be served in sincerity and truth by an organization unfettered by obligation to conflicting interests;

"Who believe in the right and capacity of the people to rule themselves, and effectively to control all the agencies of their government and who hold that only through social and industrial justice, thus se-

cured, can honest property find permanent protection;

“Who believe that government by the few tends to become, and has in fact become, government by the sordid influences that control the few;

“Who believe that only through the movement proposed can we obtain in the nation and the several states the legislation demanded by the modern industrial evolution; legislation which shall favor honest business and yet control the great agencies of modern business so as to insure their being used in the interest of the whole people; legislation which shall promote prosperity and at the same time secure the better and more equitable diffusion of prosperity; legislation which shall promote the economic well-being of the honest farmer, wage-worker, professional man and business man alike, but which shall, at the same time, strike in efficient fashion—and not pretend to strike—at the roots of privilege in the world of industry no less than in the world of politics;

“Who believe that only this type of wise industrial evolution will avert industrial revolution;

“Who believe that wholesome party government can come only if there is wholesome party management in a spirit of service to the whole country, and who hold that the commandment delivered at Sinai, ‘Thou shalt not steal,’ applies to politics as well as to business;

“To all in accord with these views a call is hereby issued by the provisional committee under the resolution of the mass meeting held in Chicago on June 22nd last to send from each state a number of delegates whose votes in the convention shall count for as many votes as the state shall have senators and representatives in congress, to meet in the convention at Chicago on the 5th day of August, 1912, for

the purpose of nominating candidates to be supported for the positions of president and vice president of the United States."

This brought out the charge against the Roosevelt men of being bolters, to which they responded: "After filing our protest on the action of the credentials committee we took no part in the Republican convention. Consequently we are not bound by it. Not only this but we served timely notice on the managers of that convention that if the plan of seating delegates who were not elected was carried we would decline to become a party to it. We had no part in the alleged nomination of Mr. Taft, and are under no obligations of loyalty to him."

There were 1,000 delegates in the Progressive convention, every state except South Carolina being represented. Theodore Roosevelt was the unanimous choice for president and Gov. Hiram W. Johnson of California, for vice president, neither of them having any opposition. Despite this the gathering was not without its sensational features. One of these was the seconding of Mr. Roosevelt's nomination by a woman—Miss Jane Addams, of Chicago; another was the barring of negro delegates from the South, while others were furnished in the speeches made by Mr. Roosevelt and Senator Albert J. Beveridge, of Indiana, the latter of whom served as temporary chairman. So far as the nomination of Roosevelt was concerned there was no need for holding a convention, as the place at the head of the ticket was conceded to him. The gathering served, however, to notify the country that the Progressives were in earnest. In numerical strength it was very nearly as great as the Republican gathering, while the enthusiasm was unbounded.

On June 25th, 1912, the Democrats held their convention at Baltimore, Md. During the preliminary

stages several sensations developed. One was the seating of the Sullivan delegates from Illinois against the protest of the Harrison-Hearst faction, and the election of Alton B. Parker, of New York, as temporary chairman, notwithstanding the fact that he was opposed by William Jennings Bryan, who was a candidate for the position himself. There were four principal candidates for the presidential nomination before the convention. These were: Champ Clark, of Missouri; Woodrow Wilson, of New Jersey; Judson Harmon, of Ohio, and Escar W. Underwood, of Alabama. There were 1,088 delegates and, as the two-thirds rule was in effect, it took 726 votes to make a choice. On the first ballot Clark received 440½; Wilson, 324; Harmon, 148, and Underwood 117½. Governor Marshall, of Indiana, received 31; Governor Baldwin, of Connecticut, 22; W. J. Bryan 1, and Congressman Sulzer, of New York, 2. Nine ballots were taken without material change. On the tenth New York changed its 90 votes from Underwood to Clark, and there were other changes which brought his total up to 556. Twenty-six ballots in all were taken without result. Mr. Bryan gave no sign of dissatisfaction until the 14th ballot was being taken when he made it plain that he was displeased with the support given Clark by Tammany Hall. He had up to this time supported Clark, but when the latter received the solid vote of New York state the Nebraskan switched to Wilson, explaining his change of front as follows:

“Every candidate has proclaimed himself a progressive—no candidate would have any considerable following in this convention if he admitted himself out of harmony with progressive ideas. By your resolution, adopted night before last, you, by a vote of more than four to one, pledged the country that you would nominate for the presidency no man who



represented or was obligated to Morgan, Ryan, Belmont or any other members of the privilege seeking, favor hunting class.

"This pledge, if kept, will have more influence on the result of the election than the platform or the name of the candidate. How can that pledge be made effective? There is but one way, namely, to nominate a candidate who is under no obligation to those whom these influences directly or indirectly control.

"The vote of the state of New York in this convention, as cast under the unit rule, does not represent the intelligence, the virtue, the democracy or the patriotism of the ninety men who are here. It represents the will of one man—Charles F. Murphy—and he represents the influence that nominated a Republican candidate and which are trying to dominate here. If we nominate a candidate under conditions that enable these influences to say to our candidate, 'Remember now thy creator,' we cannot hope to appeal to the confidence of the progressive Democrats and Republicans of the nation. \* \* \* Speaking for myself and for any delegation which may decide to join me, I withhold my vote from Mr. Clark as long as New York's vote is recorded for him."

This caused an uproar, and Mr. Bryan was frequently interrupted, but persisted and concluded his remarks in the face of almost riotous opposition. From this time on the vote for Wilson advanced slowly, each poll showing a gain, but it was not until the 46th ballot, taken on Tuesday, July 2d, the session having lasted from June 25th, that he was nominated. The final vote was: Wilson, 990; Clark, 84. Gov. Thomas R. Marshall, of Indiana, was named for vice president.

Despite the courtesy shown Mr. Bryan in the early stages of the convention it was evident toward the

close that he was the object of much hard feeling, and at one time this culminated in what was practically a riotous demonstration. While the vote on the 33d ballot was being tabulated some of the Missouri delegates displayed a banner on which was inscribed the following declaration, said to have been made by Mr. Bryan in 1910:

"I have known Champ Clark for eighteen years. He is absolutely incorruptible and his life is above reproach. Never in these years have I known him to be on but one side of the question and that was on the side that represented the people."

When the Missouri men marched over to the Nebraska delegation and placed this banner directly in front of Mr. Bryan pandemonium broke loose. Nasty epithets were exchanged, and there were several fist fights. At this juncture Mr. Bryan went over to the Missouri delegation and enquired of Chairman Stone whether "The gratuitous insult just offered has the sanction of Mr. Clark's managers?" Mr. Stone responded by saying he failed to see any insult in reproducing Mr. Bryan's language, and at once there was more trouble. Bryan was in danger of being roughly used by the angry Missourians, but was protected by the police. After quiet had been restored Permanent Chairman James recognized Mr. Bryan who rose to speak on what he said was a question of personal privilege. He had not proceeded far before Chairman James called him to order, declaring no question of personal privilege was involved in his remarks, and declined to allow him to continue. An attempt was made to induce Mr. Bryan to become a candidate for vice president, but he declined to allow his name to be presented, and in doing so delivered what has been called his "swan song" concerning his presidential aspirations when he said:

"Tonight with joy I surrender the standard I have

borne in three campaigns to the nominee of this convention, and I challenge any one to say that it has ever been lowered in the face of the enemy."

Eugene Wilder Chafin, of Arizona, and Aaron Sherman Watkins, of Ohio, were nominated by the Prohibitionists, and A. W. Williams, of Indiana, and Joseph A. Parker, of Missouri, by the Populists.

Thus the presidential campaign of 1912 began with five tickets in the field, though of these only three were entitled to serious consideration. Almost from the start it was conceded that Wilson would be the winner, it being argued that the Republican vote would be so effectively split between Taft and Roosevelt as to ensure a majority of the electoral college being for Wilson. Interest centered mainly on the chances as to Taft or Roosevelt getting the larger share of the Republican vote. The campaign was conducted with great bitterness on both sides, intemperate charges of bad faith being frequent, and much bad feeling was aroused. The recall of judges was a topic frequently discussed by each candidate. In a speech delivered in Toledo, Ohio, Mr. Taft, having in mind Mr. Roosevelt's proposed method of reversing judicial decisions, said: "I have examined the proposed method of reversing judicial decisions on constitutional questions with care. I do not hesitate to say that it lays the ax at the foot of the tree of well ordered freedom and subjects the guaranties of life, liberty and property without remedy to the fitful impulse of a temporary majority of an electorate."

Congressman Philip P. Campbell, of Kansas, in a speech in New Hampshire, referred to the proposed recall of judges as "an appeal from the umpire to the bleachers." At Boston, Mr. Taft bitterly assailed Mr. Roosevelt, accusing him of willful misrepresentation and distortion to gain the support of the people.

"He has failed to live up to his policy of giving everybody a square deal," said the president. "He has violated a solemn promise to the American people not to be a candidate for a third term. You can drive a man into a corner where his manhood requires that he should fight and I am there." At Worcester, Mass., Mr. Roosevelt replied to Mr. Taft in even more severe terms, saying among other things that the president was a weak man. "I do not think," declared Mr. Roosevelt, "that Mr. Taft means ill. I think he means well. But he means well feebly, and during his administration he has been under the influence of men who are neither well meaning nor feeble."

Intense as it was the campaign as between Taft and Roosevelt after the nominations were made lacked many of the sensational features which marked the contest for delegates to the Republican convention. Roosevelt was the most active, losing no opportunity to address the public. The campaign, so far as these two candidates is concerned, was virtually brought to a close at Milwaukee, Wis., on October 14th, when Roosevelt was shot and slightly wounded by John Schrank, an insane man, Mr. Roosevelt made only one speech after this, and that was at Madison Square Garden, New York, on October 30th, when he was given a most enthusiastic reception and by a monster audience. The sudden death of Vice President Sherman, a candidate with Taft for re-election, which occurred on the night of October 30th, also had a sobering effect on the public mind, and the short time intervening between then and the election in November passed in comparative quiet. Mr. Wilson made an aggressive campaign, in which he took personal part, and was ably assisted by many of the big men in his party. Aside from the unpleasant personalities between Taft and



Roosevelt campaign arguments were mainly confined to a discussion of the merits of the respective platforms.

The Democratic platform called for a tariff for revenue only, and denounced the Republican protective system; called for an effective anti-trust law; re-affirmed belief in state sovereignty; endorsed the income tax, popular election of United States senators, and presidential primaries; favored an extension and more rigid application of the interstate commerce act; demanded reform in the present law governing injunctions in labor troubles; called on the federal government to recognize the independence of the Philippines, and favored the free passage through the Panama canal of American ships engaged in coastwise trade.

In the Republican platform a demand was made for legislation to prevent long delays and costly appeals in legal proceedings; denounced trusts and monopolies; endorsed a protective tariff with such changes as the condition of the times demands; favored a means of extending financial assistance to farmers; frowned on contributions from corporations to be used in federal elections; endorsed the conservation policy; called for federal aid in overcoming flood conditions, and endorsed the national policy toward the Philippines.

The Progressives in their platform denounced the records of both Democratic and Republican parties, declaring the former was incompetent and the latter had betrayed its trust; demanded direct primaries for all state and national offices; equal suffrage for men and women; restriction of the power of courts; social and industrial justice; stringent regulation of trusts; endorsed conservation; favored the use of the Panama canal by American ships without payment of tolls; called for a protective tariff that

would protect the pay envelopes of the working man, and the protection of the people from all forms of swindles.

In one respect the result of the presidential election held in November brought a great surprise. Mr. Taft, the nominee of the regular Republican party, carried only two states, Utah and Vermont, giving him eight electoral votes out of a total of 531. Wilson received 435 and Roosevelt 88. It was the most crushing defeat ever inflicted on a Republican presidential nominee. That Roosevelt's candidacy was responsible for this result is plain. The total popular vote cast was 13,894,333, of which Wilson got 6,292,600, Roosevelt 4,120,101, and Taft 3,481,632, Wilson's plurality being 2,172,499. The vote polled by Roosevelt and Taft together was 7,601,733, or 1,309,133 more than Wilson received. The campaign made by Mr. Roosevelt was a phenomenal one. Starting without the semblance of an organization, and with only the selection of one during the closing weeks of the campaign, he polled a much larger vote than the Republican nominee, and carried a number of strong Republican states, including California, Michigan, Minnesota, Pennsylvania, South Dakota and Washington. It was done by force of his personality. The people were actually Roosevelt crazy. He was the embodiment of their political hopes and desires—a Daniel come to judgment.

After the smoke of the battle had cleared away Mr. Roosevelt said:

"I am content. The Progressive party has been born. It will live and grow. There is need for it—the people demand it. It is not a question of the election of myself or any other one man. We are fighting for principles, and these principles are bound to succeed."

Thus was born a new political party, a very giant from its infancy. It accomplished the downfall of its parent, and many clear-thinking men hold to the opinion that it is destined to succeed that parent in power.

Following is the vote as recorded in the electoral college:

STATE.	1912.			1908.	
	Wilson, D.	Roose- velt, Prog.	Taft, R.	Taft, R.	Bryan, D.
Alabama	11				11
Arizona	3				
Arkansas	9				9
California	2	11		10	
Colorado	6				5
Connecticut	7			7	
Delaware	3			3	
Florida	6				5
Georgia	14				13
Idaho	4			3	
Illinois	29			27	
Indiana	15			15	
Iowa	13			13	
Kansas	10			10	
Kentucky	13				13
Louisiana	10				9
Maine	6			6	
Maryland	8			2	6
Massachusetts	18			16	
Michigan		15		14	
Minnesota		12		11	
Montana	10				10
Mississippi	18			18	
Missouri	4			3	
Nebraska	8				8
Nevada	3				3
New Hampshire	4			4	
New Jersey	14			12	
New Mexico	3				
New York	45			39	
North Carolina	12				12
North Dakota	5			4	
Ohio	24			23	
Oklahoma	10				7
Oregon	5			4	
Pennsylvania		38		34	
Rhode Island	5			4	
South Carolina	9				9
South Dakota		5		4	
Tennessee	12				12
Texas	20		4		18
Utah			4	3	
Vermont				4	
Virginia	12				12
Washington		7		5	
West Virginia	8			7	
Wisconsin	13			13	
Wyoming	3			3	
Total	435	88	8	321	162

## CHAPTER XCIV.

1912

### LAST MESSAGES OF PRESIDENT TAFT.

Final Messages of the Retiring President.—Our Relations With Foreign Nations.—Armed Intervention in Nicaragua.—Financial Help to China Favored.—Similar Relief for Central American States.—Troubles in Mexico.—Magnitude of American Investments in That Country.—Attitude of President Taft.—Trade Relations With Foreign Countries.—Plea for Revision of the Tariff.—Military Needs in the Philippines, Hawaii, and Panama.—Condition of Federal Treasury.—Plans for an Elastic Currency.—Educational Facilities in Porto Rico.—Independence of Philippines Opposed.—Not Prepared for Self-Government.—Progress on the Panama Canal.—Status of the Navy.—Need for Reform in Federal Court Procedure.—Changes by Which Economics Were Effected.

On December 3d, 1912, President Taft sent a message to congress, followed by another on December 6th. The first was confined to the presentation of foreign affairs, while the second dealt mainly with internal interests. Considerable stress was laid in the first document to the need of revising the salary list of United States officials on duty abroad, and to the acquisition of government-owned homes for our legations. It was pointed out that this country suffered greatly in comparison with the handsome provisions made by foreign countries in this respect, and the result was damaging to our dignity as a nation. The efforts of the United States as a peace-maker, especially in the cases of Argentine, Brazil, Peru, and Ecuador, settlement of the boundary dispute between Panama and Costa Rica received attention, and the staying of warlike preparations involving Haiti and the Dominican republic, the stopping of a war in Nicaragua, and the halting of internecine



strife in Honduras, to all of which results this country contributed, were referred to in detail. While the attitude of the United States in most of these troubles was one of strict non-intervention, and especially as regards the dispute between Chile and Peru, its offices were extended in the way of pacific counsel and influence, and with good effect.

Endorsement was given to the policy of employing American capital in China in the hope that it would give new life to the open-door policy, and such investment was encouraged, provided the United States had equal rights and an equal voice in all questions pertaining to the disposition of the public revenues concerned. Previous hypothecation of the national revenues to foreign bankers in connection with certain industrial enterprises to the detriment of American investors, led to the taking of this precaution.

Financial assistance to Central American states, particularly Nicaragua and Honduras, was advocated in order to relieve them from foreign control, and thus give practical force to the Monroe doctrine. It was held that the trade of Central America is valuable enough to be encouraged, and that the most effective way of doing this is to invest American money there in liberal amounts. The revolution against Zelaya in Nicaragua was held by Mr. Taft to have been amply justified, and, although we preserved a strictly neutral attitude, it was impossible to withhold from the revolutionists the popular sympathy to which they were entitled.

Mexico received considerable attention. In this connection President Taft said:

"For two years revolution and counter revolution have distraught the neighboring republic of Mexico. Brigandage has involved a great deal of depredation upon foreign interests. There have constantly recurred questions of extreme delicacy. On several oc-

casions very difficult situations have arisen on our frontier. Throughout this trying period the policy of the United States has been one of patient non-intervention, steadfast recognition of constituted authority in the neighboring nation and the exertion of every effort to care for American interests. I profoundly hope that the Mexican nation may soon resume the path of order, prosperity and progress. To that nation in its sore troubles the sympathetic friendship of the United States has been demonstrated to a high degree.

"There were in Mexico at the beginning of the revolution some thirty or forty thousand American citizens engaged in enterprises contributing greatly to the prosperity of that republic and also benefiting the important trade between the two countries. The investment of American capital in Mexico has been estimated at \$1,000,000,000. The responsibility of endeavoring to safeguard those interests and the dangers inseparable from propinquity to so turbulent a situation have been great, but I am happy to have been able to adhere to the policy above outlined—a policy which I hope may soon be justified by the complete success of the Mexican people in regaining the blessings of peace and good order."

In 1912 the financial value of American exports to foreign countries was the highest in the world's history. The year previous a total of a little over \$2,000,000,000, the largest amount up to that time had been reached. In 1912 this was exceeded by about \$200,000,000, the value being approximately \$2,200,000,000. Manufactured and partly manufactured articles were the chief commodities, the consumptive demands of our own people requiring that an ever-increasing proportion of our agricultural products be kept at home. In 1912 the exports of products in various stages of manufacture, exclusive of

food products, amounted to \$1,022,000,000, a gain of \$114,000,000 over 1911. This caused the president to say:

"The importance which our manufactures have assumed in the commerce of the world in competition with the manufactures of other countries again draws attention to the duty of this government to use its utmost endeavors to secure impartial treatment for American products in all markets. Healthy commercial rivalry in international intercourse is best assured by the possession of proper means for protecting and promoting our foreign trade.

"It is natural that competitive countries should view with some concern this steady expansion of our commerce. If in some instances the measures taken by them to meet it are not entirely equitable, a remedy should be found. In former messages I have described the negotiations of the department of state with foreign governments for the adjustment of the maximum and minimum tariff as provided in section 2 of the tariff law of 1909. The advantages secured by the adjustment of our trade relations under this law have continued during the last year, and some additional cases of discriminatory treatment of which we had reason to complain have been removed. The department of state has for the first time in the history of this country obtained substantial most-favored-nation treatment from all the countries of the world. There are, however, other instances which, while apparently not constituting under discrimination in the sense of section 2, are nevertheless exceptions to the complete equity of tariff treatment for American products that the department of state consistently has sought to obtain for American commerce abroad.

"Flat tariffs are out of date. Nations no longer accord equal tariff treatment to all other nations irre-

spective of the treatment from them received. Such a flexible power at the command of the executive would serve to moderate any unfavorable tendencies on the part of those countries from which the importations into the United States are substantially confined to articles on the free list as well as of the countries which find a lucrative market in the United States for their products under existing custom rates. It is very necessary that the American government should be equipped with weapons of negotiation adapted to modern economic conditions, in order that we may at all times be in a position to gain not only technically just but actually equitable treatment for our trade, and also for American enterprise and vested interests abroad.

“As illustrating the commercial benefits to the nation derived from the new diplomacy and its effectiveness upon the material as well as the more ideal side, it may be remarked that through direct official efforts alone there have been obtained in the course of this administration contracts from foreign governments involving an expenditure of \$50,000,000 in the factories of the United States. Consideration of this fact and some reflection upon the necessary effects of a scientific tariff system and a foreign service alert and equipped to co-operate with the business men of America carry the conviction that the gratifying increase in the export trade of this country is, in substantial amount, due to our improved governmental methods of protecting and stimulating it.”

Questions as to the new seal treaty between Great Britain, Japan, Russia, and the United States, providing for a suspension of land-killing of seals on the Pribiloff islands for a period of five years, also received attention, as did regulation of the opium trade, the Balkan war, and sympathy with the efforts of the Chinese to establish a republican form of gov-



ernment. Conditions in South and Central America, and Cuba, were freely discussed, and a broad hint given that this government may find it impossible to escape from intervention in Guatemala if the financial affairs of that country are to be put in acceptable shape.

In conclusion, President Taft said:

"Congress should fully realize the conditions which obtain in the world as we find ourselves at the threshold of our middle age as a nation. We have emerged full grown as a peer in the great concourse of nations. We have passed through the various formative periods. We have been self-centered in the struggle to develop our domestic resources and deal with our domestic questions. The nation is now too mature to continue in its foreign relations those temporary expedients natural to people to whom domestic affairs are the sole concern. In the past our diplomacy has often consisted, in normal times, in a mere assertion of the right to international existence. We are now in a larger relation, with broader rights of our own and obligations to others than ourselves.

"A number of great guiding principles were laid down early in the history of this government. The recent task of our diplomacy has been to adjust those principles to the conditions of today, to develop their corollaries, to find practical applications of the old principles expanded to meet new situations. Thus are being evolved bases upon which can rest the superstructure of policies which must grow with the destined progress of this nation.

"The successful conduct of our foreign relations demands a broad and modern view. We cannot meet new questions nor build for the future if we confine ourselves to outworn dogmas of the past and to the perspective appropriate at our emergence from colonial times and conditions.

"The opening of the Panama canal will mark a new era in our international life and create new and worldwide conditions, which, with their vast correlations and consequences, will obtain for hundreds of years to come. We must not wait for events to overtake us unawares. With continuity of purpose we must deal with the problems of our external relations by a diplomacy modern, resourceful, magnanimous and fittingly expressive of the high ideals of a great nation."

With the exception of discussing briefly military needs in the Philippines, Hawaii, and Panama, the message of December 6th, 1912, was confined to the presentation of home affairs. Manufactories running at full capacity, a plentitude of money brought by bounteous crops, and a marked decrease in government expenditures caused by efforts at economy in administration, were cited as healthful signs. The federal treasury was said to contain \$317,152,478.99, of which \$150,000,000 was in gold held as a reserve against outstanding greenbacks, leaving an available cash balance of \$167,152,478.99, or an increase of \$26,975,552 over the general fund of the preceding year.

"A better currency system," said President Taft, "is a crying need. It is the business of the national government to provide a medium, automatically contracting and expanding in volume, to meet the needs of trade. Our present system lacks the indispensable quality of elasticity."

Endorsement was given to the plan proposed by the momentary commission in February, 1912, for the establishment of a central bank which should have power to issue circulating notes based on approved commercial paper, and to expand and contract this supply of circulating currency, as occasion demanded. This, the president contended, would tend

to prevent financial stringency and panics. The stock in this central association or bank is to be held by state and national banks in mixed proportion to bank units and amount of capital stock paid in.

"Certain it is," said the president, "that the objections which were made in the past history of this country to a central bank as furnishing a monopoly of financial power to private individuals would not apply to an association whose ownership and control is so widely distributed and is divided between all the banks of the country, state and national on the one hand, and the chief executive through three department heads and his comptroller of the currency on the other.

"There is no class in the community more interested in a safe and sane banking and currency system, one which will prevent panics and automatically furnish in each trade center the currency needed in the carrying on of the business at that center, than the wage earner. There is no class in the community whose experience better qualifies them to make suggestions as to the sufficiency of a currency and banking system than the bankers and business men. Ought we, therefore, to ignore their recommendations and reject their financial judgment as to the proper method of reforming our financial system merely because of the suspicion which exists against them in the minds of many of our fellow citizens? Is it not the duty of congress to take up the plan suggested, examine it from all standpoints, give impartial consideration to the testimony of those whose experience ought to fit them to give the best advice on the subject, and then to adopt some plan which will secure the benefits desired?

"A banking and currency system seems far away from the wage earner and the farmer, but the fact is that they are vitally interested in a safe system of

currency which shall graduate its volume to the amount needed and which shall prevent times of artificial stringency that frighten capital, stop employment, prevent the meeting of the payroll, destroy local markets and produce penury and want."

Reorganization of the army upon a scale that will make our garrisons abroad capable of taking care of themselves in case of attack by hostile powers, was urged; the grouping of our forces at home in more concentrated posts, the establishment of a regular army reserve, and the placing of the state militia on a pay basis, so the federal government could call upon it in case of trouble, were also favored.

During the first year of American administration in Porto Rico 26,000 pupils attended the public schools. In 1911 the number had increased to 145,525, and in 1912 to 160,657. The external commerce of the island increased five fold, and 17 per cent in one year (1911-1912), now amounting to \$92,631,886. In view of the rapid development of the country under American supervision the president thought it only fair that American citizenship should be conferred on the Porto Ricans, without any promise of statehood, the relation to be akin to that existing between Great Britain and Canada and Australia.

Independence for the Philippines was opposed. This government still has an important work to do there. Speaking of this the president said:

"An enormous increase in the commercial development of the islands has been made since they were virtually granted full access to our markets three years ago, with every prospect of increasing development and diversified industries. Freed from American control such development is bound to decline. Every observer speaks of the great progress in public works for the benefit of the Filipinos, of harbor improvements, of roads and railways, of irrigation



and artesian wells, public buildings and better means of communication. But large parts of the islands are still unreached, still even unexplored, roads and railways are needed in many parts, irrigation systems are still to be installed and wells to be driven. Whole villages and towns are still without means of communication other than almost impassable roads and trails. Even the great progress in sanitation, which has successfully suppressed smallpox, the bubonic plague and Asiatic cholera, has found the cause of and a cure for beriberi, has segregated the lepers, has helped to make Manila the most healthful city in the orient, and to free life throughout the whole archipelago from its former dread diseases, is nevertheless incomplete in many essentials of permanence in sanitary policy. Even more remains to be accomplished. If freed from American control sanitary progress is bound to be arrested and all that has been achieved is likely to be lost.

"A present declaration even of future independence would retard progress by the dissension and disorder it would arouse. On our part it would be a disingenuous attempt, under the guise of conferring a benefit on them, to relieve ourselves from the heavy and difficult burden which thus far we have been bravely and consistently sustaining. It would be a disguised policy of scuttle. It would make the helpless Filipino the football of oriental politics, under the protection of a guaranty of their independence which we would be powerless to enforce."

Progress on the Panama canal was reported as more than satisfactory, and prediction made that ships would be passing through it in the latter part of 1913, more than a year in advance of the time set for the formal opening—January 1st, 1915.

Uncle Sam's navy was declared to be more powerful, and in a greater state of efficiency than ever be-

fore, but severe criticism was passed on the action of Congress in confining the work of enlarging it to the building of one battleship a year. "There is need," said the president, "for three battleships, in addition to destroyers, fuel ships, and other auxiliary vessels every year." Continuing, he said:

"We have no desire for war. We would go as far as any nation in the world to avoid war, but we are a world power. Our population, our wealth, our definite policies, our responsibilities in the Pacific and the Atlantic, our defense of the Panama canal, together with our enormous world trade and our missionary outposts on the frontiers of civilization, require us to recognize our position as one of the foremost in the family of nations, and to clothe ourselves with sufficient naval power to give force to our reasonable demands and to give weight to our influence in those directions of progress that a powerful Christian nation should advocate."

Attention was called to the necessity for a reform in the method of procedure in the federal courts, the present system causing long, vexatious and expensive delays.

"Under the statute now in force," said President Taft, "the common law procedure in each federal court is made to conform to the procedure in the state in which the court is held. In these days, when we should be making progress in court procedure, such a conformity statute makes the federal method too dependent upon the action of state legislatures. I can but think it a great opportunity for congress to intrust to the highest tribunal in this country, evidently imbued with a strong spirit in favor of a reform of procedure, the power to frame a model code of procedure, which, while preserving all that is valuable and necessary of the rights and remedies at common law and in equity, shall lessen the burden

of the poor litigant to a minimum in the expedition and cheapness with which his cause can be fought or defended through federal courts to final judgment."

Passage by congress of an equitable workman's compensation act was also urged.

February 22d, 1912, the president submitted another message in which he favored the immediate establishment of a parcels post, and made argument against the government ownership of telegraph lines on the ground that no public good would be secured. There is nothing to show that the government could give service any more cheaply or efficiently than it is now furnished by private companies.

April 4th, 1912, President Taft sent to congress a message on economy and efficiency in the government service, advocating the passage of laws which he said would save more than \$11,000,000 a year. His suggestions were:

That the local government offices in the treasury, postoffice, justice, interior and commerce and labor departments be placed in the classified service.

That the revenue cutter service be consolidated with the lighthouse service in the department of commerce and labor.

That pension agents be placed in the classified service.

That the office of receiver of district land offices be abolished and the duties be transferred to the register, assisted by a bonded clerk.

That the "political appointees" in the internal revenue and customs service be transferred to the classified civil service.

That the auditing offices of the government be consolidated under one auditor.

That mileage allowance for government travel be discontinued and that there be substituted a per diem

allowance for officers and employes in place of "subsistence," which includes lodging for those traveling.

That correspondence be handled on an improved basis.

That the distribution of government documents be centralized.

That the publication of the official register be discontinued.



## CHAPTER XCV.

1912

### SENSATIONAL POLITICAL EVENTS OF 1912.

Attempts to Assassinate Roosevelt.—Shooting of the Former President at Milwaukee.—Roosevelt's Coolness and Pluck.—His Last Appearance in Public After the Shooting.—Punishment of the Assailant.—Expulsion of Lorimer From the United States Senate.—Peculiar Facts of the Case.—No Evidence Incriminating Lorimer.—Verdict of Expulsion in Conflict With Testimony.—The Funk-Hines Incident.—Governor Deneen's Statement.—Report of Investigating Committee.—Impeachment of Judge Archbald.—Charged With Selling His Judicial Influence.—Found Guilty and Removed From the Bench.—Resignation of Dr. Wiley.—Influences Hostile to Pure Food Law at Work.—Attempt to Expel Senator Stephens, of Wisconsin, Fails.—Nicaraguan Revolution.—Proceedings Against Judge Hanford.—Changes in the Constitution of Ohio.—The Revolution in Mexico.

Under this heading, for it was a crime growing out of politics, may be included the attempt to murder Theodore Roosevelt, which was made at Milwaukee, Wis., on the evening of October 14th, 1912. Mr. Roosevelt was on his way to address a political meeting at the Auditorium and had just entered an automobile near the Gilpatrick hotel, when he was shot by John Schrank an insane man. The bullet struck Mr. Roosevelt in the right breast, but was prevented from doing serious injury by being deflected in an upward course by an eyeglass case and a roll of manuscript which he had in the inside pocket of his coat. The assailant was overpowered by one of Mr. Roosevelt's secretaries and was in danger of being harshly treated by the crowd when the ex-president said in a loud, clear voice:

"Don't hurt the poor creature."

This quieted the crowd, which realized that Mr. Roosevelt was not badly hurt, and a few moments later he was on his way to the meeting, while Schrank was being taken to jail. Efforts were made to induce Mr. Roosevelt to abandon the engagement and receive medical attention, but he declined, and delivered his speech to an audience of 10,000 people. During the course of his remarks he told calmly of what had occurred, exhibiting the hole in his coat, the dented eyeglass case, and punctured manuscript. His simple narrative created an intense sensation.

When his speech was concluded Mr. Roosevelt was taken to a hospital and examined by physicians who decided that he might make the journey to Chicago the next morning, provided special arrangements were made for his comfort. Accordingly he was taken to Chicago, October 15th, on a specially equipped train, where, at Mercy hospital, he received the attention of Drs. John B. Murphy, Arthur Dean Bevan, S. L. Terrell, Joseph Bloodgood and R. G. Sayle. Their verdict was that the bullet was buried about four inches in the chest, that an immediate operation for its removal would not be advisable, and that, while the patient's condition was hopeful, the wound was of such a nature as to demand absolute rest for a number of days. In the meantime Mrs. Roosevelt had started for Chicago, and a day later joined her husband at the hospital. Here they remained until October 21st when Mr. Roosevelt was taken to his home at Oyster Bay, where with one exception, he remained until the close of the campaign. This exception was on October 30th when he visited New York and addressed a monster meeting at Madison Square Garden in the interest of the Progressive ticket. His reception was a notable one and he received many evidences of public sympathy.

It was shown that Schrank had trailed Roosevelt

from New York to Milwaukee awaiting an opportunity to kill him. In doing this he had followed Mr. Roosevelt to Charleston, S. C.; Augusta, Ga.; Birmingham, Ala.; Chattanooga and Nashville, Tenn.; Evansville, Ind.; Louisville, Ky.; and finally, Chicago and Milwaukee. He said he thought it was his duty to "remove" any man who was seeking a third term. Schrank denied being a Socialist, saying that he was an independent in politics. A commission of physicians pronounced him insane and, having pleaded guilty to the charge of attempting to kill Roosevelt, Judge Backus ordered him confined in the asylum for the insane at Oshkosh, until such time as he might recover from his insanity, when he was to be brought before the court for further proceeding.

So far as known the wound has never caused Mr. Roosevelt any serious inconvenience, his robust physique and clean method of living, in the opinion of physicians, enabling him to overcome the shock which to most other men would have been fatal.

Although once sustained in the right to his seat in the United States senate by a decisive vote, Senator William Lorimer, of Illinois, was rearraigned on the same charge—that of having secured his seat by bribery—on June 20th, 1911. The direct assertions of Mr. Lorimer's enemies was that by the use of money and other methods of corruption he had bought his election through the Illinois legislature. A committee of eight United States senators was named to take testimony. This committee consisted of four Republicans—Dillingham, of Vermont; Gamble, South Dakota; Jones, Washington; Kenyon, Iowa; and four Democrats—Johnston, Alabama; Kern, Indiana; Lea, Tennessee; Fletcher, Florida. Thus was presented the curious spectacle of a man once acquitted being compelled to defend himself a second time on the same charge, something unheard

of in the annals of modern jurisprudence. But the political bias was so great, and the influence clamoring for Lorimer's downfall so strong, that all legal procedure was ignored.

Numerous sessions were held by the committee in both Washington and Chicago, 180 witnesses being examined and 102 days occupied in the hearing. The most sensational feature was the introduction by the anti-Lorimer side of dictagraph notes of a confession said to have been made by Charles McGowan to the effect that his testimony in favor of Lorimer had been bought. Milton W. Blumenberg, the official stenographer of the investigating committee, was examined as an expert on the accuracy of these dictagraph notes and declared they were faked. For thus testifying he was held to be in contempt, but was not otherwise punished.

Strong testimony in favor of Mr. Lorimer was given by Governor Deneen, of Illinois, a factional political opponent. Governor Deneen testified that the night before Mr. Lorimer was elected senator the latter was in his (Deneen's) room at the state house until midnight trying to induce him (Deneen) to accept the senatorship. In order to make it plain to Deneen that this was not done to get him out of the way as governor so that the Lorimer forces might control the state patronage, Mr. Lorimer offered to have both the lieutenant governor and the speaker of the house (two Lorimer men) resign and allow Governor Deneen to appoint their successors, or at least assist him in filling their places with Deneen men. This did not look like logical action on the part of a man who was trying to buy his way into the seat which was offered to a political opponent. It was put in evidence through Governor Deneen that Lorimer on this occasion said:

"If you will accept I will see that the members who



are now supporting me vote for you, and this, with the following you should be able to control, will make your election sure."

No evidence showing Lorimer's connection with anything like bribery was produced. The nearest approach to it was when Clarence S. Funk, general manager of the International Harvester Company, said that Edward Hines, of the Hines Lumber Company, had asked him for a contribution of \$10,000 as part of a fund of \$100,000 to be used in securing the election of Lorimer. This was denied by Hines, and also by Edward Tilden, the man to whom Funk said the money was to be paid. The investigating committee voted 5 to 3 that Mr. Lorimer was entitled to his seat, the official finding being:

"Resolved, That in the opinion of this committee this investigation does not show that there were used or employed in the election of William Lorimer to the senate of the United States from the state of Illinois corrupt practices and methods."

This resolution, offered by Senator Gamble, was adopted March 28th, 1912. At the same time Senator Johnson offered the following, which was also adopted:

"Resolved, That the testimony failed to show that Senator Lorimer himself used any corrupt practices or means or had any knowledge that any were used."

Then Senator Jones secured the passage of a resolution which read:

"Resolved, That nothing has developed in or by this investigation that justifies a reversal of the solemn and deliberate judgment of the United States senate, rendered during the last session of the 61st congress, holding valid the election of William Lorimer as a senator of the United States."

The vote on all three of these resolutions was the same. 5 to 3, this vote being cast as follows:

Those in favor—Dillingham, of Vermont, Rep.; chairman; Gamble, of South Dakota, Rep.; Jones, of Washington, Rep.; Johnston, of Alabama, Dem.; Fletcher, of Florida, Dem.

The three senators who voted against the resolution were:

Kenyon, of Iowa, Rep.; Kern, of Indiana, Dem.; Lea, of Tennessee, Dem.

On motion of Senator Kern the following minority resolution was then adopted by a vote of 3 to 0; those voting in the affirmative being Kern, Kenyon and Lea:

“That in the opinion of this committee there was a fund distributed in the city of St. Louis on June 21, 1909, by Lee O’Neil Browne, and on July 15, 1909, by Robert E. Wilson, to certain members of the Illinois legislature.”

It will be noticed that there is nothing in this minority resolution implicating Mr. Lorimer directly or indirectly. On May 20th, 1912, the full committee submitted both majority and minority reports to the senate. The majority report, signed by Senators Dillingham, Gamble, Jones, Johnston and Fletcher, found Mr. Lorimer was not elected corruptly and was entitled to his seat in the senate; the minority report, signed by Senators Kenyon, Kern and Lea, found that his election was brought about by corrupt means and that he was not entitled to a seat in the senate. The substance of the majority report is contained in the following concluding paragraphs:

“The senate has once solemnly and deliberately passed upon the charges made against him [Lorimer]. Its judgment, after a full investigation and extensive argument, was in his favor and should stand unless new and convincing evidence is produced establishing corruption in his election. This rule is more liberal toward the senate and the people than

toward Mr. Lorimer, because if the judgment had been against him he would have been bound by it and no amount of proof would secure its reversal and his reinstatement as a member of this body.

"Absolutely no new and substantial evidence has been produced or discovered on this reinvestigation showing that he was elected by corruption, and we believe that all the rules of law, judicial procedure and justice required that the former judgment of the senate should be held to be conclusive and final.

"There is absolutely no evidence in all the testimony submitted intimating, suggesting or charging that William Lorimer was personally guilty of any corrupt practices in securing his election, or that he had any knowledge of any such corrupt practices, or that he authorized any one to employ corrupt practices in his election.

"We are convinced that no vote was secured for him by bribery; that whatever money White, Beckemeyer, Link, Holstlaw or any other person received was not paid to him or them by any one on Mr. Lorimer's behalf or in consideration of or to secure such vote or votes for him; that neither Edward Hines nor any one else raised or contributed to a fund to be used to secure his election; that his election was the logical result of existing political conditions in the state of Illinois and was free from any corrupt practice and therefore we must find, and we do find, that William Lorimer's election was not brought about or influenced by corrupt methods and practices."

The minority report not only insisted that the doctrine of *res adjudicata* had no application, but declared:

That the evidence obtained established conclusively that at least ten of the votes cast for Mr. Lorimer

were corruptly cast, and it named also five other legislators whose votes were sold.

That Senator Lorimer was equally guilty and responsible for the wrongdoing of Lee O'Neil Browne and Edward D. Shurtleff.

That Edward Hines did participate corruptly in Lorimer's election and that his character was established as one "that looked upon everything and everybody as being purchasable."

That the motive Mr. Hines and Senator Lorimer attempted to ascribe as the reason for Funk's committing the crime of perjury was too far fetched to be tenable and too ridiculous and absurd to lessen the force of Funk's testimony.

On the same day these reports were submitted (May 20th) Senator Lea of Tennessee offered the following resolution:

"Resolved, That corrupt methods and practices were employed in the election of William Lorimer to the senate of the United States from the state of Illinois, and that his election therefore was invalid."

It was in this form that the matter was brought before the senate for final action, the adoption of either the majority or minority report of the committee. In the senate at that time were a large number of members whose terms were about expiring and who were to be candidates for re-election the ensuing winter. These men were afraid of hostile newspaper criticism and, under the direction of the Chicago Tribune, the first newspaper to give credence to the charge against Mr. Lorimer, a strong fight was made in the press of the country against him. This resulted in arraying many of the senators whose terms were expiring against him. It was not a question of his guilt or innocence, but merely one of whether it would be most expedient,



as a matter of personal political salvation, to vote for or against him.

There was one notable exception. On the first investigation Senator Wesley L. Jones (Rep.), of Washington, was in favor of unseating Mr. Lorimer. The evidence at the second hearing was so lacking in anything that would connect Mr. Lorimer in any way with bribery or corruption in any form that Senator Jones was won over and became one of his staunchest supporters.

The matter came to a vote July 14, 1912, when the senate, 55 to 28, adopted the minority report and Lorimer was unseated.

July 11th, 1912, impeachment resolutions were adopted in the lower house of congress against Judge Robert W. Archbald, of the federal bench, serving as a member of the commerce court. It was alleged that Archbald had been guilty of misconduct in his official actions and should be removed from office. He was charged with having unduly influenced the Erie railway which was interested in litigation pending before him, to sell to him and his associates at a nominal price a certain culm bank, the contents of which were later disposed of at a handsome profit.

That the same tactics were employed by Archbald in connection with the purchase of another culm bank at Taylor, Pa., from the Delaware, Lackawanna & Western Railway, which was also interested in litigation pending in Archbald's court.

That the same influence was used to secure from the Lehigh Valley Railway the lease of a culm bank near Shenadoah, Pa.

That contrary to the sworn duty of a judge, Archbald solicited and obtained from the attorney for the Louisville & Nashville Railway secret explanation and correction of testimony injurious to the road

which had been given by one of its own witnesses in a suit on trial before Archbald.

That, for a consideration of \$500, Archbald personally endeavored to induce the Philadelphia & Reading Railway to execute a certain lease to one Frederick Warnke, the railway at that time being interested in litigation pending before Archbald.

That he corruptly attempted to use his influence as a judge to induce the Lehigh Valley Coal Company (the Lehigh Valley Railway) to purchase a tract of 800 acres of coal lands.

That the said Archbald corruptly connived with one W. W. Rissinger, then having litigation pending in Archbald's court, to embark in a private business enterprise with him. Archbald at the time received from Rissinger a promissory note for \$2,500 which was later discounted and which has never been paid. Archbald then gave Rissinger judgments for about \$28,000 against various insurance companies he was suing, the agreement being that these judgments were to be paid within fifteen days from date.

That Archbald corruptly attempted to coerce Christopher G. Boland and William P. Boland, interested in litigation before him, to discount a certain promissory note for \$500.

That judgment was corruptly given in favor of one C. H. Von Storch, when Von Storch discounted Archbald's note for \$500.

That Archbald accepted from one Henry W. Cannon a large sum of money (exact amount unknown), Cannon being at the time interested in a number of interstate carriers any or all of which were liable at any time to be on trial before Archbald.

That Archbald did wrongfully and unlawfully receive a sum of money in excess of \$500, contributed by various attorneys at the solicitation of court officials appointed by Archbald.

That Archbald did appoint one J. B. Woodward, general attorney for the Lehigh Valley Railway, jury commissioner for his (Archbald's) district.

That said Archbald had at various times sought to obtain credit from, or through, certain persons interested in the result of suits pending in his court, and that he also at divers times sought to obtain from railways having cases before him valuable contracts without the investment of money, or anything of value, in consideration thereof.

On all of these thirteen charges Archbald was found guilty by the house of representatives, and the finding sent to the senate for action. That body named Senators Clark, of Wyoming; Nelson, of Minnesota; Dillingham, of Vermont; Bacon, of Georgia, and Culberson, of Texas, as a committee to investigate. Archbald was defended by A. S. Worthington and R. W. Archbald, Jr. The action of the lower house was approved, the defendant being found guilty on five of the charges and removed from office.

Reduced to plain language the charges against Archbald were to the effect that he sold his judicial rulings and decisions for a financial consideration. This, in several instances, notably the culm bank cases, amounted to a large sum. The culm banks are supposed to be refuse heaps but usually contain large quantities of merchantable coal. It was so with those acquired by Archbald. In one case, that of the Lehigh Valley Railway dump near Shenandoah, Pa., 472,670 tons of coal were obtained. It is supposed that the proceedings were instigated to some extent by the interstate commerce commission which found its rulings in many important cases being reversed or set aside by the commerce court to which they were appealed.

There was considerable of a sensation caused by

the resignation of Dr. Harvey W. Wiley as chief of the bureau of chemistry at Washington, March 15th, 1912. Dr. Wiley had made a long and successful struggle in the interest of a rigid enforcement of the pure food law, and had compelled many reforms in the handling of food supplies. In this he was supposed to have the unqualified support of the Taft administration, as he did that of Mr. Roosevelt. As related on page 1625 of this work, it was far, however, from being plain sailing. In 1911, charges were preferred against Dr. Wiley, as the latter claimed, through the hostility of Secretary of Agriculture Wilson and Attorney General Wickersham. At that time President Taft came to the support of the chief chemist, exonerating him from the charges and expressing the utmost satisfaction with his work. But influences adverse to Wiley were still at work, directed by Solicitor McCabe, of the agricultural department, and Dr. Frederick Dunlap, assistant to Dr. Wiley. The latter said that his work was largely undone or nullified by the supervisory power held by these men. He asserted that the fundamental principles of the pure food law had been paralyzed, that interests engaged in the manufacture of misbranded and adulterated foods and drugs had escaped punishment, and that the activities of the bureau of chemistry had been restricted. It could be restored to its former usefulness, Dr. Wiley held, only by relieving him from the supervision of the men who had hampered him in the performance of his duties. As this was done he resigned. In accepting his resignation President Taft and Secretary Wilson both expressed regret at losing Dr. Wiley's services. Of the earnestness of these expressions Dr. Wiley and his friends raised doubts in a delicate and guarded manner, and the event passed into history as another instance of the sacrifice of an honest, efficient



official on the eve of a presidential election at the behest of powerful political interests. Dr. R. E. Doolittle, of Michigan, was made acting chemist to succeed Dr. Wiley.

In 1912 the United States senate was called upon to dispose of a second scandal involving the alleged acquisition of a seat in that body by corrupt methods. This was the case of Isaac Stephenson, senator from Wisconsin. Charges were made against Mr. Stephenson in 1911, but it was not until March 25th, 1912, that the matter came to a vote and Mr. Stephenson was exonerated. In many respects this was very similar to the Lorimer case, the gist of the accusation being that Stephenson had bought his election to the senate. The committee hearing this case consisted of Senators Heyburn, Sutherland, Pomerene, Bradley and Paynter. During this investigation Senator Stephenson testified that his election had cost him \$107,793, the money being expended under the supervision of his campaign manager, E. A. Edmonds. The latter had carte blanche to disburse it as he saw fit. Mr. Edmonds in turn declared the money was all spent legitimately in furthering the election to the legislature of men who would vote for Stephenson, for brass bands, lithographs, buttons, advertising and other customary campaign expenses. January 18th, 1912, the Heyburn sub-committee made a report to the effect that the charges against Senator Stephenson had not been proved, and held him guiltless of any attempt to corrupt the legislature of Wisconsin. This was submitted to the committee on privileges and elections, by whom, after a long discussion, it was approved February 10th, 1912, by a vote of 8 to 5. The senators who voted to sustain the report were Dillingham, Bradley, Gamble, Heyburn and Sutherland, all Republicans; and Johnston, Fletcher and Pomerene, Democrats. Clapp,

Jones and Kenyon, Republicans, and Kern and Lea, Democrats, voted against it.

Finally, on March 25th, 1912, the matter came up in the senate for action on the report. On this occasion a strong speech was made by Senator Reed, of Missouri, favoring the expulsion of Stephenson. March 26th Senator Jones, of Washington, offered a resolution declaring the seat vacant. This was lost, the vote being 27 to 29. March 27th the report of the committee declaring Stephenson to have been properly elected was adopted by a vote of 40 to 34. Twelve Democrats voted in favor of Mr. Stephenson, and sixteen Republicans against him.

What looked like a war that would involve this country in a serious embroglio occurred in Nicaragua in the summer of 1912 (August), and American troops were landed there, taking active part in the hostilities. These grew out of one of the petty revolutions which are constantly springing up in Central and South America. General Luis Mena, the former minister of war, started a revolution against the government. American property was seized by the revolutionists, and American citizens were in danger of being killed. To protect lives and property United States marines were sent to Managua. This was done at the request of George T. Weitzel, the American minister, and of President Diaz, of Nicaragua, both of them declaring the situation was serious. It was held by the authorities at Washington that this warranted armed intervention. Opponents of President Taft, however, have seized upon this incident to compare it unfavorably with the attitude of the Taft administration in the more recent revolution in Mexico, when the crossing of the border line by American troops was expressly prohibited in orders from Washington.

General Mena, at the head of a considerable force of revolutionists, made an attack on Managua August 10th, but were driven off by the Diaz forces, assisted by the American marines. The defenders lost 14 men killed and 125 wounded. The loss of the enemy was between 400 and 500 killed and wounded. As conditions were apparently becoming more serious, three additional companies of American marines were sent there. A little later President Taft ordered the Tenth Infantry, on duty in Panama, to proceed to Nicaragua, but this was later countermanded on receipt of information that its services were not needed. More marines were sent, however, and at one time garrisoned the principal towns on the coast.

General Vaca, leader of the revolutionists in the vicinity of Leon, captured that place August 17th, and killed 430 of the defenders after the surrender. This caused Minister Weitzel to notify General Vaca that the American forces would be used to restore peace and prevent further bloodshed. October 4th the American marines captured the town of Coyotene, which had been held by the rebels, losing four men killed and having six wounded. On October 6th American marines recaptured Leon from the rebels, losing three men killed. In the meantime General Mena had surrendered and was deported. This ended the revolution. There was some little desultory skirmishing for a time, but peace was soon restored. It was the first time in the history of this government under recent administrations at least, when American troops have taken active part in the hostilities of a foreign country with which we were not at war. It was held in this instance that armed intervention was justifiable in Nicaragua not merely to afford protection to the lives and property of American citizens, but on account of the proximity of Nicaragua to Panama and the serious effect that a

long-continued revolution might have on our canal interests.

Efforts were made in 1912 to impeach Cornelius H. Hanford, a judge of the United States district court at Seattle, Wash., but were dropped when Hanford resigned. He was charged with intoxication, misconduct, and corrupt decisions generally, but the specific act which led Congress to proceed against him was the revocation of the citizenship papers of Leonard Olsson, of Tacoma, Wash. Olsson was a member of the Socialists Labor party and of the Industrial Workers of the World. As a witness in court, Olsson had sworn he was not attached to the constitution of the United States. Action to disfranchise him was begun by John Speed Smith, chief naturalization examiner for that district. Judge Hanford cancelled Olsson's citizenship papers, and Victor L. Berger, Socialist congressman from Milwaukee, at once began impeachment proceedings against Hanford. The hearing was begun June 27th, 1912, and continued until July 22d, when the resignation of Hanford caused further proceedings to be dropped.

Radical changes were made in the state constitution of Ohio at a special election held September 3, 1912. Eight proposed changes were defeated. These included suffrage for women, bond issues for good roads, prohibition of outdoor advertising, appointment of women to certain offices, and elimination of the word "white" from the constitution. Nine important amendments were adopted. These were:

Permitting laws to be passed authorizing the rendering of verdicts in civil cases by the concurrence of not less than three-fourths of a jury.

Enabling the assembly to pass bills over the referendum to propose amendments to the constitution, to propose laws to the general assembly for enactment



and also to enable the electors to require that any law passed by the general assembly be submitted to a popular vote.

Enabling the assembly to pass bills over the governor's veto by a three-fifths vote of all the members elected to each house. Measures which by the constitution require a two-thirds vote on their original passage are excepted.

Permitting the passage of laws to improve the conditions of employment of men, women and children.

Permitting legislation to establish a fund from compulsory contributions by the industries of the state for the compensation of workmen in case of accidents or occupational diseases and of their dependent relatives in case of death.

Making mandatory the passage of laws for the removal from office of public officers for misconduct involving moral turpitude. It is an addition to the usual impeachment proceedings.

Abolishing prison contract labor.

Simplifying the judicial system so as to shorten proceedings and lessen the expense of litigation.

Making mandatory the passage of laws placing, as far as practicable, all appointive officers in the service of the state and the counties and cities under civil service regulation.

Giving cities and villages the right to frame their own charters, own and regulate their own public utilities and to adopt by ordinance such local police, sanitary and other similar regulations, not in conflict with the general laws, as they may deem necessary. To the general assembly is reserved the authority to limit the power of cities to levy taxes and incur debts for local purposes, to control elections, and, by general laws, to make such provisions for police and sanitary regulations and other similar

matters as may be for the general welfare of the state.

Seriously affecting the United States in much the same manner as the revolt in Nicaragua, the internecine strife in Mexico, a troublesome phase of which began in February, 1912, had assumed much more damaging features to American interests than those attending the uprising in the Central American state. In this latter trouble armed intervention was made by the United States forces almost at the start, and order was quickly restored. In Mexico, although the provocation for intervention has been much greater, the government at Washington has contented itself with a series of friendly warnings which seem to be without effect on either the Mexican authorities in power or the revolutionists. The character of these latter is continually changing. As fast as one set of revolutionists comes into power and organizes a government there is another uprising, and the authorities installed by the revolutionists are compelled to surrender or make war on the new lot. As there is a large amount of American capital invested in Mexico, and thousands of American citizens engaged in business there, this state of constant unrest and uncertainty has a very damaging effect, especially in view of the contiguity of the two countries.

At the beginning of 1912 Francisco I. Madero was in power as President, having succeeded Diaz, who had been compelled to resign and flee the country. Almost from the start of his regime Madero was in trouble. There were numerous sets of claimants for his place, and a succession of annoying and disastrous revolutions ensued. At one time there were three distinct uprisings, and three distinct sets of rebels trying to unseat Madero and seize the government. In the northern part of Mexico the leaders of the re-

volt were General Emilio Vasquez Gomez, General Geronimo Trevino and General Pascual Orozco. These revolutionists were known as Vasquistas. In the southern part Emiliano Zapata was in command, and his followers were called Zapatistas. To a certain extent these two forces operated in harmony, their purpose being a common one—to get rid of Madero. But this did not prevent them from being enemies after Madero was disposed of. In Vera Cruz, General Felix Diaz, nephew of the deposed president Porfirio Diaz, had a revolution of his own. He was not in sympathy with either the Vasquistas or the Zapatistas. What he wanted was to avenge the unseating of his uncle and restore the Diaz family to power. This four-handed contest between the three bands of rebels and the Federal forces under Madero made Mexico a hotbed of disorder. The principal events of the year may be recorded as follows:

February 23—Manifesto circulated proclaiming General Geronimo Trivino president ad interim of Mexico.

March 2—President Taft issues proclamation warning American citizens to refrain from entering Mexico and from taking any part in the disturbances there.

March 6—General Pascual Orozco proclaimed generalissimo of rebel forces in Chihuahua.

March 28—Arms shipped for defense of American residents of City of Mexico.

April 6—Forty rebels killed near Necaxa, state of Puebla.

April 9—Rebel forces at Jojoutlo, Morelos, routed; 500 reported killed.

April 14—Warning issued by the United States to the Mexican government and to General Pascual

Orozco that American life and property within the republic of Mexico must be adequately protected.

April 17—Mexican minister of foreign affairs makes an official statement denying the right of the American government to make the admonition contained in the note sent from Washington.

April 26—Rebels numbering 2,000 completely routed by garrison at Tepic; 220 killed and many wounded.

April 27—Many Americans of the west coast of Mexico reported to be in peril.

May 4—Emilio Vasquez Gomez formally proclaimed provisional president of Mexico with capital at Juarez.

May 5—Six hundred rebels killed near Cuatro Cienegas by federals, under Colonel Pablo Gonzales.

May 12—Rebels under General Orozco routed by General Huerta's federal forces at Conejos.

July 3—Important positions occupied by rebels under Orozco captured at Bachinuba canyon.

July 20—Train attacked by Zapatistas near Tres Marias on the Cuernavaca line and eighty-four passengers and soldiers killed.

August 12—Two hundred persons massacred by Zapatistas in Ixtapa; fifty-six soldiers and passengers killed on a train at Ticumen.

September 6—Ultimatum served on Mexico by President Taft that if Americans and their interests are not protected by the Mexican government the United States will intervene.

October 16—General Felix Diaz begins new revolution and with 500 men takes possession of the city of Vera Cruz.

October 23—The city of Vera and General Diaz captured by federal troops without a fight.



October 24—Two of General Diaz' officers tried by court martial and shot.

October 27—General Diaz condemned by court martial to be shot; sentence suspended.

November 12—General Diaz reported to have made his escape to the United States.

Further record of the progress of the revolution will be made in its chronological order in succeeding chapters. It is interesting to note, however, that although the conditions in 1912 were those of wild disorder, dangerous to the lives and property of Americans, there was no attempt made by this government at protestation, aside from ineffectual messages of warning.

## CHAPTER XCVI

1912

### WORK OF 62D CONGRESS—SECOND SESSION.

President Given Power to Appoint all Panama Canal Officials When he Thinks the Commission May be Retired.—Courts in Canal Zone.—Parcels Post Law.—Eight-Hour Day for Laborers and Mechanics Working for the Government.—Commission on Industrial Relations.—Hours of Letter Carriers.—Service Pension Act.—Equipping Vessels With Wireless Telegraph Apparatus.—Maritime Conference.—Increase of the Navy.—Changes in the Homestead Law.—Grants to Luther Burbank.—Metal and Wool Tariff Bills Vetoed.—Attempt to Frustrate the Civil Service Law Prevented.—Commerce Court Retained.—President Taft's Comments.—Important Measures Which Failed of Adoption.

During this session, which began December 4th, 1911, and ended August 26th, 1912, thirty-one acts were passed by Congress and approved by the president; nine acts failed, and five others were vetoed by the president. Among the most important of those which became law were the following:

Giving the president power of appointing all officials whose services shall, in his judgment, be necessary for the proper administration of the affairs of the Panama canal and the canal zone, when, in his judgment, he thinks the services of the canal commission no longer necessary. Among the officials to be appointed is a governor, who under the direction of the president, shall direct and control all affairs within the zone. Salaries shall not exceed by more than 25 per cent those paid for similar services within the United States. In case of army or navy officials being named the salaries received in the service shall be deducted from those paid for service in the

canal zone. Provision was also made for tolls, payment of personal injury claims, building and maintenance of dry docks, wharves, warehouses, repair shops, etc., and the sale of coal and other supplies at fair prices to vessels passing through the canal. Courts are to be maintained in the zone, and the injury or obstruction of any part of the canal shall be punishable by a fine not exceeding \$10,000, or imprisonment not exceeding twenty years, or both, at the discretion of the court. If death of any person ensues within a year and a day as the result of such obstruction or other injury, the person convicted of causing the same shall be deemed guilty of murder and punished accordingly.

Parcels post law, providing for the transmission of merchandise by mail, not exceeding eleven pounds in one package. The terms of this law are now so well understood it is unnecessary to quote them.

An act limiting to eight hours the day which any laborer or mechanic shall put in for the United States, on contract, or otherwise, except as to transportation by land or water, or for the transmission of intelligence, or for the purchase of supplies by the government, whether manufactured to conform to particular specifications or not, or for such materials or articles as may usually be bought in open market, except armor and armor plate, whether made to conform to particular specifications or not, or to the construction or repair of levees or revetments necessary for protection against floods or overflows on the navigable waters of the United States.

Creating the commission on industrial relations. This commission shall inquire into the general condition of labor in the principal industries of the United States, including agriculture, and especially in those which are carried on in corporate forms; into existing relations between employers and employes; into

the effect of industrial conditions on public welfare and into the rights and powers of the community to deal therewith; into the conditions of sanitation and safety of employes and the provisions for protecting the life, limb and health of the employes; into the growth of associations of employers and of wage earners and the effect of such associations upon the relations between employers and employes; into the extent and results of methods of collective bargaining; into any methods which have been tried in any state or in foreign countries for maintaining mutually satisfactory relations between employes and employers; into methods for avoiding or adjusting labor disputes through peaceful and conciliatory meditation and negotiations; into the scope, methods and resources of existing bureaus of labor and into possible ways of increasing their usefulness; into the question of smuggling or other illegal entry of Asiatics into the United States or its insular possessions, and of the methods by which such Asiatics have gained and are gaining such admission, and shall report to congress as speedily as possible, with such recommendation as said commission may think proper to prevent such smuggling and illegal entry. The commission shall seek to discover the underlying causes of dissatisfaction in the industrial situation and report its conclusions thereon.

Hours of letter carriers in city delivery service, and of postal clerks in first and second-class offices, limited to eight hours per day. Should emergency require extra service the men performing it are to be paid for such extra time.

Establishment of a child bureau which shall investigate and report to the department upon all matters pertaining to the welfare of children and child life among all classes of our people, and shall especially investigate the questions of infant mortality,



the birth rate, orphanage, juvenile courts, desertion, dangerous occupations, accidents and diseases of children, employment, legislation affecting children in the several states and territories. But no official, or agent, or representative of said bureau shall, over the objection of the head of the family, enter any house used exclusively as a family residence. The chief of the bureau may from time to time publish the results of these investigations in such manner and to such extent as may be prescribed by the secretary of commerce and labor. [Miss Julia C. Lathrop, of Chicago, was appointed chief of this bureau at the fixed salary of \$5,000 per year.]

A service pension act by which any veteran of the Civil war, regardless of wounds, sickness or disability, will receive from \$13 to \$30 per month, according to age and length of service. The pensions begin at the age of sixty-two years and with a service of ninety days. Veterans of the Mexican war receive \$30 per month.

Abolishing pension agents and making all pensions payable through a disbursing officer located in the bureau of pensions.

The public health and marine hospital service of the United States shall hereafter be known and designated as the public health service and all laws pertaining to the public health and marine hospital service of the United States shall hereafter apply to the public health service. The public health service may study and investigate the diseases of man and conditions influencing the propagation and spread thereof, including sanitation and sewage and the pollution either directly or indirectly of the navigable streams and lakes of the United States, and it may from time to time issue information in the form of publications for the use of the public.

After October 1, 1912, it shall be unlawful for any

steamer of the United States or of any foreign country navigating the ocean or the great lakes and licensed to carry, or carrying, fifty or more persons, including passengers or crew or both, to leave or attempt to leave any port of the United States unless such steamer shall be equipped with an efficient apparatus for radio-communication, in good working order, capable of transmitting and receiving messages over a distance of at least 100 miles, day or night.

It is enacted that no person, company or corporation within the jurisdiction of the United States shall operate any apparatus for radio-communication as a means of commercial intercourse among the states, or with foreign nations, or upon any vessel of the United States engaged in interstate or foreign commerce, or for the transmission of radiograms beyond the state in which they are made, or where interference would be caused thereby with the receipt of messages or signals from beyond the state, except under a license granted by the secretary of commerce and labor. The act does not apply to the exchange of radiograms between points in the same state. Violation of this section shall be considered a misdemeanor, punishable by a fine of not more than \$500 and confiscation of apparatus.

The right to remuneration for assistance or salvage services shall not be affected by common ownership of the vessels rendering and receiving such assistance or salvage services. The master or person in charge of a vessel shall, so far as he can do so without serious danger to his own vessel, crew or passengers, render assistance to every person who is found at sea in danger of being lost, and if he fails to do so he shall, upon conviction, be liable to a penalty of not exceeding \$1,000 or imprisonment for a term of not exceeding two years or both. Salvors of human life,

who have taken part in the services rendered on the occasion of the accident giving rise to salvage, are entitled to a fair share of the remuneration awarded to the salvors of the vessel, her cargo and accessories.

The sum of \$300,000, or so much thereof as may be necessary, is appropriated for the purpose of equipping all army transports with lifeboats and rafts, including such number of steel self-righting, self-bailing motor lifeboats for each vessel as the secretary of war may deem advisable, necessary to accommodate every person for whom transportation facilities are now provided on the transports, and the crew thereof.

Favoring and authorizing a maritime conference of all the nations to consider uniform laws and regulations for the greater security of life and property at sea.

Barring the transmission of films or other pictorial representations of prize fights from the mails, and prohibiting their carriage by express or other common carrier engaged in interstate commerce.

Organizing the territory of Alaska and providing for first legislature.

Giving effect to the treaty between the United States, Great Britain, Russia and Japan for the preservation of the fur seal and sea otter.

Authorizing an increase of the navy by the construction of battleships and auxiliary vessels, the president being empowered to order this construction to an amount not exceeding \$21,140,000 for the current year. Of this, one battleship may cost \$7,425,000; two fuel ships, \$2,280,000; six torpedo boat destroyers, \$5,640,000; one tender to destroyers, \$1,315,000, and eight submarine torpedo boats, \$4,480,000.

Amending the copyright law so as to provide for the copyrighting of moving pictures, and fixing the

penalty for unconscious infringement of same at not more than \$5,000 or less than \$250.

Placing a tax of two cents per 100 on all matches made of white phosphorus, and providing that such matches be packed in boxes of 100 and multiples thereof.

Authorizing the president, in time of war, to accept the services of the Red Cross, the members of which while proceeding to and returning from duty, and the supplies required by them, to be transported at the cost of the United States.

There shall be set aside for a period of five years such portions of the unappropriated, nonmineral, nonirrigable, nontimbered and unreserved public lands situated in California, New Mexico, Arizona and Nevada as Luther Burbank of Santa Rosa, Cal., may select, not to exceed twelve sections in all, and the right to enter the same and propagate the spineless cacti thereon, erecting all necessary improvements and clearing and tilling the soil thereof, shall be granted the said Luther Burbank, his heirs and successors in interest. Provided, That no patent shall issue until the said Luther Burbank or his heirs or successors in interest shall have had at least 100,000 growing plants of spineless cacti of a character suitable for animal food upon said lands or some part thereof for the period of two years, and until it has been shown to the satisfaction of the secretary of the interior that the lands to be patented are suitable for the growth of spineless cacti valuable for domestic animal food.

Increasing the amount of land which may be entered upon as homesteads from 160 to 320 acres of nonmineral, nonirrigable, unreserved and unappropriated surveyed public lands which do not contain merchantable timber, located in a reasonably compact body and not over one and one-half miles in extreme



length, and located in Arizona, Colorado, Montana, Nevada, New Mexico, North Dakota, Oregon, Utah, Washington, Wyoming and California. The time required for proving upon a homestead claim is reduced from five to three years.

Providing for the direct election of United States senators by the people.

Defining the misbranding of drugs under the pure food and drug act.

Granting permission for the erection on public grounds in Washington of memorials to Maj. Archibald W. Butt and Francis David Millet.

Appropriating the sum of \$1,500,000 for the rebuilding of levees along the Mississippi and its tributaries which may have been damaged by flood.

Stating the nature of associations or organizations to which employes of the postal department may belong without subjecting themselves to discipline or discharge.

Ratifying the abrogation of the treaty made with Russia in 1832, on the ground that it was no longer adequate to the needs of the two nations.

All of these received the approval of the president. He voted the metal tariff bill calling for a lower duty, and in some instances placing them on the free list of certain articles. The house passed this bill over his veto, but the senate, by a vote of 39 to 32, refused to override the veto.

The president also vetoed the wool tariff bill, stating that while he was in favor of reducing the duty, he still believed in maintaining it at a figure which would afford protection to the manufacturer as well as the grower of wool. This, he asserted, was something the revised bill did not do. As in the first instance, the house repassed the measure over the veto, but the senate failed to do so, the vote in this latter

body being 39 yeas and 36 nays, 19 members not voting.

An effort to limit the terms of civil service appointees by making their service terminate in seven years after the probationary term of six months, was returned disapproved. This measure, the president said, would tend to nullify and defeat the main object of the civil service act by making tenure of office uncertain, and forcing the most competent and efficient of employes to become political job hunters every seven years. "If at the end of each seven years," said the president, "it becomes necessary for one who has spent the best years of his life in the public service to ascertain whether he is to continue, it is certain that he will bring pressure to bear in every direction upon the appointing power to continue him in office. I am perfectly aware that the motive for not reappointing him will be much reduced by the fact that his successor must be appointed from the eligibles of the civil commission, but the play which this will give for prejudice and arbitrary action in the appointing power will constitute a serious injury to the present tenure of office."

He also returned with his veto the act to discontinue and legislate out of existence the commerce court. This was probably the most important of his vetoes. There is little doubt but what the bill was inspired and backed by interests which were dissatisfied with the rulings of the court in interstate commerce matters, and which, in many instances, tended to undo the work of the interstate commerce commission. In this connection the president, in returning the measure, took occasion to say:

"It appears from the decisions of the supreme court of the United States that the commerce court in several cases has amplified its jurisdiction beyond that which a proper construction of the statute justi-

fied. It also appears that in a number of cases the decisions were against the shippers and for the railroads when the supreme court decided that they ought to have been the other way. On the other hand it appears that in a number of other cases the decisions of the commerce court were in favor of the shippers and in favor of giving relief to the shippers against the railroad companies, but that the supreme court has since denied the existence of such jurisdiction under the statute. A series of decisions of the supreme court has satisfactorily established the limits of the jurisdiction of the new court, and there is no reason to believe that those limits thus established will in future be exceeded. There is every reason to believe that the dispatch of business already promoted by the court will continue. And now the question is, why should the court be abolished? Because it has made some mistakes that the supreme court has rectified? Lower courts, especially when exercising new jurisdiction, are likely to make errors to be corrected by the supreme court. The presiding judge of the commerce court was the chairman of the interstate commerce commission for a great many years. Three of the commerce court judges before their appointment to the commerce court had been United States district judges of long experience, and one had been a state judge of standing and experience. The personnel of the court is to change from year to year by the assignment of one of the commerce court judges to a circuit court of appeals and the designation of another circuit judge to fill the vacancy thus made.

“I have read the arguments upon which this proposed legislation is urged and I cannot find in them a single reason why the court should be abolished except that those who propose to abolish it object to certain of its decisions. Some of those decisions

have been sustained and others have been disapproved or modified by the supreme court. I am utterly opposed to the abolition of a court because its decisions may not always meet the approval of a majority of the legislature. It is introducing a recall of the judiciary, which, in its way, is quite as objectionable as the ordinary popular method proposed. Next to impartial and just judgment the great desideratum in judicial reforms today is the promotion of the dispatch of business and the prompt decision of cases. The establishment of the commerce court has brought this about in a substantial way by reducing the average delay from two years to six months, and I doubt not that as time goes on and the procedure becomes better understood this period of six months will be further reduced. It is greatly in the interest of the shippers and therefore of the public that this means of reducing the time of effective remedial litigation against railroads should be preserved."

Later this bill was re-adopted by both houses with the civil service commerce court feature eliminated, and in that form received executive approval.

Efforts by congress to legislate Maj.-Gen. Leonard Wood and other army officers out of place on the general staff were disapproved.

The measures which failed to pass for various reasons, as here given, were:

Bill to regulate the immigration of aliens to and residence of aliens in the United States; passed by senate April 19; pending in house at time of adjournment.

Bill to revise the metal schedule of tariff law, placing on free list machines, tools, etc.; passed by house January 29; by senate May 30; vetoed by president August 14; passed by house over veto August 16.

Bill to extend the special excise tax now levied with



respect to doing business by corporations to persons, and to provide revenue for the government by levying a special excise tax with respect to doing business by individuals and co-partnerships; passed by house March 19; passed by senate July 26; in conference at close of session.

Bill to reduce the duties on wool and manufactures of wool; passed by house April 1; by senate July 25; vetoed by president August 9; passed by house over veto August 13; senate refused to pass bill over veto August 16.

Bill to create a department of labor; passed by house July 10; reported to senate and debated, but not acted on.

Bill placing sugar on the free list; passed by house March 15; by senate, with amendment imposing a maximum duty of \$1.30 per hundred pounds on refined sugar, July 27; in conference when session closed.

Bill to reduce the duties on manufactures of cotton; passed by house August 2; reported back adversely by senate finance committee August 5; no further action taken.

Bill providing that no injunctions be issued except in certain cases without previous notice and an opportunity to be heard on behalf of the parties to be enjoined; passed by house May 14; no action taken by senate.

General treaties of arbitration with Great Britain and France "ratified" by senate March 7; amendments adopted resulting in nullification of treaties.

During its nine months of official life the second session of the sixty-second congress appropriated a total of \$1,019,636,143.66. Of this, \$886,429,719.54 was for the support of the various departments and the deficiency bill, and \$133,206,424.12 for what is known as the permanent annual fund. The post-

office received the largest amount of any of the departments. The amount was \$271,429,599. Pensions rank next with \$165,146,145.84, the navy third with \$123,220,707.48, and army fourth with \$90,483,403.16.

## CHAPTER XCVII.

1912

### PROSECUTIONS UNDER THE SHERMAN LAW.

Acquittal of the Packers. — End of Nine-Year Litigation. — Interesting Phases of the Great Action. — Charges Against the Packers. — Ten Prominent Men Indicted by Federal Grand Jury for Alleged Violations of the Sherman Anti-Trust Law. — Chronology of the Case. — Proceedings to Dissolve the International Harvester Company. — Corporations and Individuals Involved. — Nature of the Charges. — Control by Voting Trust. — Harriman Merger of Pacific Railways Declared Illegal. — Purchase of Southern Pacific by Union Pacific Held to be a Combination of Competing Roads. — Far-Reaching Effects of the Decision. — Attempts Made by Railways to Control Anthracite Coal Output Defeated. — Ramifications of the Alleged Pool. — Its Purpose. — Heavy Verdict Given Against a Labor Organization for Damages Growing Out of a Boycott.

March 25th, 1912, saw the acquittal of the packers who had been indicted for combining to do business in violation of the Sherman anti-trust law. This litigation had been pending for nine years, beginning in 1903, when Judge Grosscup, of the federal bench at Chicago, issued an injunction restraining them from further prosecuting the methods then in vogue. Then began the long, expensive proceedings which nearly a decade later ended in a victory for the accused men, nearly all of whom were Chicagoans. The defendants were: J. Ogden Armour, Louis F. Swift, Edward Morris, Edward Tilden, Arthur Meeker, Edward F. Swift, Charles H. Swift, Louis H. Heyman, Thomas J. Connors and Francis A. Fowler. Told in chronological order the important features of this prosecution occurred as follows:

February 18, 1903—Judge Grosscup issued injunction restraining packers from combining.

1904—Packers gave commissioner of corporations information about their business, an action on which later immunity claims were based. They alleged the government used the information as basis for indictments.

February 20, 1905—Government began investigation of combine charges.

July 1, 1905—Indictment voted against four companies and sixteen packers.

December 31, 1905—Cases were called for trial.

March 21, 1906—Packers are freed by "immunity bath" ruling of Judge Humphrey.

1908—Investigation taken up by federal grand jury and later discontinued.

1909—New investigation started.

March 21, 1910—Indictment voted against National Packing Company and ten subsidiary concerns.

June 23, 1910—Indictment declared invalid by Judge Landis and new grand jury investigation ordered.

July 14, 1910—New inquiry started.

September 12, 1910—Ten packers indicted.

March 22, 1911—Judge Carpenter denies plea to quash indictments.

April 1, 1911—Demurrers filed by defendants.

May 12, 1911—Demurrers overruled by Judge Carpenter.

May 16, 1911—Petition for rehearing filed.

June 19, 1911—Petition denied.

June 23, 1911—Bill of particulars refused by court.

July 5, 1911—Pleas of "not guilty" entered and trial set for November 20.

November 15, 1911—Defendants surrender and are released on habeas corpus application writ to test validity of Sherman law.

November 18, 1911—Judge C. C. Kohlsaas denies release on writ.



November 22, 1911—Judge Carpenter grants packers until November 27 to go to supreme court for stay, to appeal from Judge Kohlsaas's decision.

November 23, 1911—Chief Justice White declines to interfere; refers matter to entire court.

December 5, 1911—Stay denied by supreme court.

December 6, 1911—Trial begun, first panel of jurors called.

December 19, 1911—A. H. Veeder, first witness, called.

March 12, 1912—Government rests case.

March 13, 1912—Judge Carpenter denies motion to take case from the jury.

March 14, 1912—Packers announce they have no evidence to put in.

March 18, 1912—Closing arguments to jury begun.

March 25, 1912—Case goes to the jury.

March 26, 1912—Jury finds packers not guilty.

In the six years intervening from February 18th, 1903, until all proceeds were suspended in 1909, nothing of moment was accomplished by the government, it being evident that the prosecution was based on wrong premises, and in 1910 new indictments were returned. These in turn were declared invalid by Judge Landis, and it was not until September 12th, 1910, that the final proceedings were begun. The case is strongly illustrative of the delays possible under the law and the method of procedure in the federal courts when shrewd, experienced lawyers are engaged. There is an interesting story back of the dismissal by Judge Landis of the indictment returned March 21st, 1910. On the day this indictment was found District Attorney Edwin W. Sims, acting for the government, filed in the United States district court at Chicago a bill in equity charging the packers with criminal conspiracy in fixing the prices of live cattle and dressed beef, and demanding the dis-

solution of the National Packing Company (the trust) and its subsidiary concerns. It was also sought to prevent the individual defendants and their agents from continuing any control over the corporations involved, except such as might be necessary in winding up their affairs. The indictment on which the bill in equity was founded was drawn by an expert and supposed to be free from technical defects. And yet Judge Landis was compelled to admit that at least one vital error had been made and that this vitiated the whole proceedings. On demurrer by defendant's counsel the judge ruled that the indictment was fatally defective because it did not allege that during the preceding three years the defendants had been engaged in interstate commerce. Seemingly a small thing, but, from the legal viewpoint, absolutely essential in order to bring the matter within the jurisdiction of the federal courts. Thus all the proceedings to date became null and of no effect.

In dismissing the indictment Judge Landis ordered the empaneling of a special grand jury to take up the case anew. On September 12th, 1910, this special grand jury returned three indictments against each of the ten packers named in the first of this chapter, and extra pains were taken in the drafting of these papers to make them error proof. That this was accomplished is shown by the fact that they withstood the efforts of the defendants' counsel to quash them. A motion to quash because the defendants were entitled to immunity under the ruling of Judge Humphrey in 1906 was denied by Judge Carpenter. So also was a demurrer based on the plea that under the Sherman anti-trust law the defendants could not be prosecuted criminally. Next the defendants asked for a rehearing and when their petition was denied requested a bill of particulars. This also was refus-

ed and the trial was set for November 20. Five days before that time they surrendered and were released on a habeas corpus application writ to test the validity of the Sherman act. The application was heard by Judge C. C. Kohlsaat and denied. Thereupon the packers asked for a stay to appeal to the United States supreme court to overrule Judge Kohlsaat's decision. They were given until November 27 and the appeal was made, but the court declined to grant a stay, and finally, December 6, 1911, the case came to trial. This trial lasted nearly four months, and ended in a verdict of acquittal.

The main cause of the prosecution was the fact that the indicted packers conducting business ostensibly in competition, were all serving as directors in the National Packing Company. During the progress of the action all these men, except Edward Tilden, resigned their directorships. As it turned out, the result of the trial made this unnecessary. No case was ever fought harder by both sides, but the beef trust, if there is one, is still in existence.

In the early part of 1912 (April 30th) an action was started by the federal authorities for the dissolution of the International Harvester company. It was begun by the filing of a bill in equity in the United States district court at St. Paul, Minn., under the provisions of the Sherman law. In its petition the government asked:

That the \$140,000,000 corporation be dissolved on the ground that it was a monopoly in restraint of trade.

That injunctions be issued to bar from interstate commerce the products of the International Harvester company or of the International Harvester Company of America, its selling agency.

That receivers be appointed to take charge of the property and wind up the business of the defendant,

if the court finds such action compatible with public interests.

The following corporations and individuals were mentioned as defendants in the petition:

International Harvester company.

International Harvester Company of America.

International Flax Twine company.

Wisconsin Steel company.

Wisconsin Lumber company.

Illinois Northern railway.

Chicago, West Pullman & Southern Railroad company.

Cyrus H. McCormick.

Charles Deering.

James Deering.

John J. Glessner.

William H. Jones.

Harold F. McCormick.

Richard F. Howe.

Edgar A. Bancroft.

William J. Louderback.

George F. Baker.

Norman B. Ream.

Charles Steele.

John A. Chapman.

Elbert H. Gary.

Thomas D. Jones.

John P. Wilson.

William L. Saunders.

George W. Perkins.

It was alleged by the government that the International Harvester Company was acting illegally and in restraint of trade in the following particulars:

That the company, in monopolizing the manufacture and sale of harvesting machinery, advanced prices "to the grave injury of the farmer and the general public."



That the company controlled at least 90 per cent of the trade in the United States in harvesters or grain binders, 75 per cent of the mowers and more than 50 per cent of the binder twine.

That the company absorbed competing companies while allowing the companies still to advertise as being independent, "thereby misleading, deceiving and defrauding the public and more effectually crippling existing competitors and keeping out new ones."

That the defendants resorted to unfair trade methods by attempting to induce agents to handle only their products.

That they bought up patents to perpetuate the monopoly.

That in organizing the International Harvester Company the defendants were actuated by a determination to form a monopoly.

That the company bound retail dealers by contract not to sell the products of any other manufacturer.

That the Harvester Company received iron, steel and lumber from the Wisconsin Steel Company and the Wisconsin Lumber Company, subsidiaries, which were used to eliminate competition.

That the company used railroads which it controlled to obtain undue preference from railroads connecting with them.

Cyrus H. McCormick, Charles Deering and George W. Perkins control the International Harvester Company as voting trustees. They hold the capital stock, and issue trust certificates to the actual owners of the stock. This combination consists of the McCormick Harvesting Machine Company of Illinois, the Deering Company of Illinois, the Plano Manufacturing Company of Illinois, Warder, Bushnell & Glessner Company of Ohio and the Milwaukee Harvester Company. The other concerns mentioned in the government's charges, the Wisconsin Steel Company and

the Wisconsin Lumber Company, etc., are subsidiary corporations. At the time this chapter was written the case was still pending.

For nearly four years, dating from January 25, 1908, efforts were made by the United States government to set aside the ownership of the Southern Pacific and other railroad properties by the Union Pacific interests which at that time were under the control of E. H. Harriman. In rehabilitating the Union Pacific road Mr. Harriman found it advisable to secure control of the Southern Pacific in order to exercise a directing power over the Central Pacific by which the Union Pacific had an outlet from Promontory Point, Utah, the end of its line, to San Francisco. The Union Pacific and the Central Pacific were connecting, not competing roads, and there was no objection to their being under one management. To get control of the Central Pacific, however, Mr. Harriman had to absorb its owner, the Southern Pacific, and it was this that caused the trouble. The Union Pacific and the Southern Pacific are competitors for the carrying trade to and from San Francisco and other Pacific coast points, the U. P. working by way of Omaha and the S. P. by way of New Orleans. Interested in the through and local hauls were also the San Pedro Los Angeles & Salt Lake, and the Santa Fe, Great Northern and Northern Pacific lines. If control of the Central Pacific could have been acquired without affecting the Southern Pacific there would have been no cause for complaint, but this was impossible. In objection to the consolidation under one management or ownership of competing lines the language of the Interstate Commerce act is explicit. Such consolidation is absolutely prohibited. It was this which caused the federal government to take action. On the date named (Jan-

uary 25th, 1908), the attorney general of the United States issued an official statement, declaring:

"From evidence and independent investigation, the department has concluded the stock holdings of the Union Pacific and subsidiary company in the other corporations mentioned are in violation of the Sherman act. This department regards the suit as of first importance, as it is sought by means thereof to break up a substantial monopoly of the transportation business between the Missouri river on the east and the Pacific coast south of Portland on the west. Aside from the railway companies named, defendants in the suit are the Farmers' Loan and Trust Company of New York, depository of all stock of the San Pedro road, under a contract by which it is required to give proxies to such persons as may be named by Mr. Harriman and Mr. Clark for a period of years. The following individual defendants are alleged to have conceived and carried out the conspiracy complained of: E. H. Harriman, Jacob H. Schiff, Otto H. Kahn, James Stillman, Henry C. Frick, Henry H. Rogers and William A. Clark."

Immediately thereafter (February 1st, 1908), Hiram E. Booth, United States attorney, under direction of the attorney general, filed in the United States circuit court for Utah a bill in equity directed against the following corporations and individuals: Union Pacific, Oregon Short Line, Oregon Railroad & Navigation, San Pedro, Los Angeles & Santa Fe, Southern Pacific, Northern Pacific, Great Northern, the Farmers' Loan and Trust company, Edward H. Harriman, Jacob H. Schiff, Otto H. Kahn, James Stillman, Henry H. Rogers, Henry C. Frick and William A. Clark. Violations of the Sherman anti-trust law were alleged, combination and conspiracy charged, and demand made for an injunction restraining

the defendants from continuation of the same, or similar, illegal acts.

Judges Sanborn, Van Devanter, Hook and Adams of the circuit court ruled against the government on most of the important points, and an appeal was taken by the government to the supreme court. On December 2d, 1912, the supreme court sustained the government in the following language:

"This court reaches the decision that the Union Pacific and Southern Pacific systems, prior to the stock purchase, were competitors engaged in interstate commerce, acting independently as to a large amount of such carrying trade, and that since the acquisition of the stock in question the dominating power of the Union Pacific has suppressed competition between the systems and has effected a combination in restraint of interstate commerce within the prohibition of the act. In order to enforce the statute the court is required to forbid the doing in the future of acts like those which are found to have been done in violation thereof and to enter a decree which will effectually dissolve the combination found to exist in violation of the statute.

"The decree should provide an injunction against the right to vote this stock while in the ownership or control of the Union Pacific company, or any corporation owned by it, or while held by any corporation or person for the Union Pacific company, and forbid any transfer or disposition thereof in such wise as to continue its control and should provide an injunction against the payment of dividends upon such stocks while thus held except to a receiver to be appointed by the court which shall collect and hold such dividends until disposed of by the decree of the court."

In deciding the case the supreme court dealt solely with the combination of the Union and Southern



Pacific roads, leaving out of consideration the efforts of the former to acquire the stock of the San Pedro, Los Angeles & Salt Lake road, and stock in the Santa Fe, Great Northern and Northern Pacific lines, which had in the meantime been abandoned. Several plans for disposing of the Union Pacific holdings of Southern Pacific stock have been considered, but none found satisfactory.

Alleged attempts by a number of railroads interested in the anthracite coal fields of Pennsylvania to form a monopolistic combination in defiance of the Sherman law were defeated by the United States supreme court in a decision handed down December 16th, 1912. Transportation facilities to and from these fields were furnished by the Philadelphia & Reading, Lehigh Valley, Delaware, Lackawanna & Western, Susquehanna & Western. Construction of an independent road, the New York, Wyoming & Western, was contemplated. This would interfere seriously with the business of the six lines already in the field and to prevent the building of the projected competing road the coal companies owned by the six railways named contracted for the purchase for all time of the output of the independent mines. If not stopped this deal would leave no traffic of importance for a new transportation line, and the building of the proposed New York, Wyoming & Western would not be an attractive investment; in fact the project would very likely have to be abandoned. Such were the conditions when the case was taken into the supreme court which, after an exhaustive hearing, held:

That the general combination alleged by the government to exist between the defendant roads for an apportionment for total tonnage to the seaboard by agreement in the nature of a pooling arrangement has not been established and therefore the relief

sought by the government upon assumption of such combination is denied.

The court finds, however, that the principal defendants did combine to shut out from the anthracite coal field a projected independent line of railroad, the New York, Wyoming & Western railroad, and to accomplish that purpose it is found that the stock of the Temple Iron company and of the Simpson & Watkins collieries was acquired for the purpose of and with the intent, not of normally and lawfully developing trade, but of restraining interstate commerce and competition in transportation, which presumably would have come about through the construction and operation of the proposed competing line of railroad between the mines and tidewater.

The court holds that certain contracts made with producers covering between 20 and 25 per cent of the total annual supply of coal, known as the 65 per cent contracts, by which such independent producers bound themselves to deliver the output of their mines or any other mine which they might acquire, to the railroad companies for 65 per cent of the average market price at tidewater, were also void because in violation of the antitrust act, as abnormal and illegal restraints upon interstate commerce.

The court reiterates the declaration in the *Standard Oil* case, that an act of congress does not "forbid or restrain the power to make normal and usual contracts to further trade by resorting to all normal methods, whether by agreement or otherwise, to accomplish such purposes." Nevertheless it holds that the acts which it finds in this case to be illegal, the Temple Iron and 65 per cent contracts, were not within such class, but on the contrary were abnormal in their character and directly tended to and were intended to illegally restrain trade and commerce, and therefore came within the statute as illustrated by

the rulings in *St. Louis Terminal association and Swift & Co. versus United States*.

Railway control of the Temple Iron company was ordered dissolved, it being denounced as a strangling process by which monopolistic schemes were made easy.

The right of a labor union to boycott the wares of a non-union manufacturer was the principal issue in the action of *D. E. Loewe & Co., hatters, of Danbury, Conn., against the United Hatters of North America*, a labor organization. The United Hatters sought to unionize the Loewe factory, and, failing in this, declared a boycott of the firm's product. The Loewe company instituted action under the Sherman law, which, so the circuit court decided, did not apply. The court of appeals certified the case to the supreme court. That tribunal held that anything affecting interstate commerce came under the Sherman law, reversed the circuit court, and sent the case back for retrial. This resulted in a verdict of \$74,000 damages in favor of the plaintiffs, the Loewe company. An appeal was taken to the district court, which, on October 11th, 1912, assessed damages of \$80,000 and costs against the union. This case is principally notable as establishing the fact that labor unions are financially responsible for damages incurred in boycotts. In this litigation Loewe & Co. had the support of the Anti-boycott organization, while the offending union was backed by the the American Federation of Labor. It was to this extent a direct legal battle between organized capital on the one side, and organized labor on the other.

## CHAPTER XCVIII.

1912

### LAWRENCE STRIKE AND OTHER LABOR TROUBLES.

Serious Disorder During the Strike of the Textile Workers.—Cause of the Walkout.—Reduction of Hours Met by Reduction in Pay. — Nearly 25,000 Operatives Involved. — Great Discrepancy in Statements Made by Employers and Employees. — Rate of Wages at Issue. — Result of State and Congressional Investigations.—Troops Called Out to Preserve Order. — Children of Strikers Sent to New York to Incite Sympathy. — Trial of Labor Union Men for Dynamite Outrages at Los Angeles, California. —Conviction of the McNamaras.—Federal Prosecution of Dynamiters at Indianapolis.—Threatening Spread of Outrages.—Trial of Charles Darrow for Alleged Bribery.—Result of the Proceedings at Indianapolis.—Thirty-nine Defendants Found Guilty.—Thirty-three Receive Sentences Ranging From One to Seven Years.—Sentence Suspended in Six Cases.—Gompers' Contempt Cases.

Marked by serious disorder, open conflicts between the strikers and the state forces, in which many people were injured and considerable property destroyed, the strike of the textile workers at the Lawrence (Mass.) mills was one of the gravest labor outbreaks which this country ever faced. It began January 12th, 1912, and continued until well toward the end of the following March. The Massachusetts legislature, at the request of the labor unions, had enacted a law reducing the hours of labor for women and children from the old total of fifty-six hours to fifty-four hours per week. This became effective January 1st. Mill owners announced a corresponding reduction in wages to meet the two-hour reduction in working time. This, it was asserted, defeated the purpose of the new law, and at once there was trouble.



Mill operatives to the number of nearly 25,000 presented a counter demand for an increase of 15 per cent in wages, abolition of the premium system, and double pay for overtime. In this they were backed by the Industrial Workers of the World, a secret organization, which took charge of the handling of the operatives' claims. It was claimed, on behalf of the operatives, that wages were already too low to admit of a further cut, many of the adult workers not earning over \$4.80 to \$5.20 a week. The American Woolen Company, speaking for the mill owners, asserted that the rate of wages for adults exceeded \$8 a week, and that competition between the mills in various parts of the country was so keen it would be impossible to lessen the working hours without making a corresponding reduction in wages, cutting them down to an extent that would even up for the loss of the two hours a week. Considered from the individual viewpoint the loss of two hours, so the mill owners said, was trivial; the heavy loss came in when the number of employees was taken into account. Allowing that 25,000 operatives were affected the reduction in working time would amount to 50,000 hours a week, which, at an average of \$5 a week for adults and minors, would be nearly \$5,000.

"It is impossible," said the representatives of the mill owners, "to meet this loss under existing conditions and continue in business. Competition forces us to sell close, and \$5,000 a week means the difference between a profit and a loss. Rather than run at a loss and wear out our equipment we would prefer to shut down. Any fair-minded person can readily see what this latter alternative would mean to the city of Lawrence and our 25,000 employees."

Arguments were useless and on January 12, 1912, the operatives went on strike. Rioting was prevalent from the beginning. A large proportion of the

strikers were foreigners, of rather low caste intellectually, and it was difficult to make them understand that order must be preserved. Conditions became so bad that state troops were called in and the city virtually placed under martial law. Attempts at amicable settlement having failed, both sides being obdurate, legislative investigations were conducted by the state, and congressional by the nation, resulting finally in a settlement of the dispute, the workers accepting a compromise by which wages were increased from five to fifteen per cent. Inquiry made by Charles P. Neill, United States commissioner of labor, developed the fact that, in December, 1911, the average wage of 21,922 employees of all ages was \$8.76 a week, which was much higher than claimed by either mill owners or operatives.

When the strike was at its height a novel feature was introduced by selecting several hundred children from 2 to 14 years of age, and sending them to New York, where they took part in a parade conducted by the Industrial Workers of the World with the purpose of exciting sympathy for the strikers. While in the New York metropolis the children were cared for by the families of wage workers.

As a result of the Los Angeles (Calif.) dynamite case, Clarence S. Darrow, a Chicago attorney of prominence, was indicated for attempted bribery of jurors. The office of the Los Angeles Times, a newspaper hostile to labor unions, was wrecked by dynamite in 1910, the plant destroyed and a number of people killed. For this crime James B. and John J. McNamara, union labor leaders, were convicted and sent to the penitentiary December 5th, 1911, the principal witness against them being Ortie E. McManigal, a fellow worker, who turned state's evidence. Clarence S. Darrow was the principal counsel for the defense. In this capacity it is alleged he

made efforts to bribe Robert F. Bain, a juror, and George N. Lockwood, a prospective juror. Evidence incriminating Darrow was given by Bert H. Franklin, a detective for the defendant McNamaras, who made confession as to his part in the transactions. Darrow, who was tried on the Bain charge, was, however, acquitted (August 17th, 1912), leaving the Lockwood charge to be heard later. On trial of the Lockwood case the jury was unable to agree, and at this writing (May 16th, 1913), the case has not been retried.

Wreckage by dynamite in labor troubles had become so common that the United States government, aroused by the developments in the McNamara trial, determined to make an effort to break up the practice by inflicting severe punishment on the offenders. In the meantime forty-six men had been indicted in February, and were arraigned in March, charged with complicity in more than 100 explosions, but were not placed on trial until October 1st, 1912, when the case was brought to hearing before Judge Anderson, of the United States court, at Indianapolis, Ind. At that time the charges against J. W. Irwin, of Peoria, Ill., Andrew J. Kavanaugh and Patrick H. Ryan, of Chicago, were dismissed. Ortie E. McManigal pleaded guilty, as did also Edward S. Clark, of Cincinnati, business agent and president of local union 44 of the International Association of Bridge and Structural Iron Workers. This left forty-one men, most of them union labor officials and agents, to be tried. They were arraigned on five counts charging conspiracy, and on fifty counts charging violations of the law governing the transportation of explosives.

As a result of these trials thirty-nine men were either convicted or pleaded guilty, and received sentences ranging from one to seven years in the federal

penitentiary at Fort Leavenworth, Kans. Frank Ryan, president of the International Association of Bridge and Structural Ironworkers, got the long term—seven years, while eight others were sent to prison for six years; two for four years; twelve for three years; four for two years, and six for one year and one day. Sentence was suspended in six cases. Shortly after the men were imprisoned they were released by order of the court under heavy bonds pending appeal to the higher court. Bonds were fixed at the rate of \$10,000 for each year of sentence. Thus Ryan who was sentenced for seven years, was compelled to furnish surety in the amount of \$70,000.

During the trial an appalling condition of affairs regarding the reckless transportation and use of dynamite in destroying work on which the union labor leaders had placed a ban was disclosed. When labor men who objected to these practices asked the perpetrators if they knew what the law was and the heavy penalty provided, they were met with the statement "D——n the law." Judge Anderson mentioned this in a long statement made from the bench at the time of passing sentence. At that time he said:

"The evidence discloses an appalling list of crimes in addition to those charged in the indictments. These crimes were all committed in the name of organized labor. I will not believe that organized labor approves of such practices. Any organization that approves and adopts the methods of these defendants is an outlaw, and will meet the fate which outlaws have met since civilized society began.

"The evidence shows that in the early part of this struggle one court issued an injunction against violence. It is the one bright spot in the dark history of this conspiracy. In recent years we have heard much denunciation of government by injunction, but



a consideration of the evidence in this case will convince any impartial person that government by injunction is infinitely to be preferred to government by dynamite.

"The evidence unquestionably establishes that the officers and persons occupying positions as members of the executive board of the international association, from the time of the action of the board in directing the omission from the monthly publication of the detailed expenses as stated, up to the time of the arrest of the McNamaras and McManigal, each knew of and aided in the purchase and unlawful transportation of dynamite and nitroglycerin as above stated."

For some years preceding these prosecutions no job of work done by a contractor who had incurred the enmity of certain labor leaders was safe. Dynamite was used recklessly. The presence of human beings and the risk of the committing murder did not deter the plotters. The money loss was very heavy, but it was nothing compared to the death list. Killings grew to be of almost daily occurrence, until the climax was reached in the Los Angeles affair, the death roll being so heavy as to arouse horror and disgust even among the most ardent advocates of the physical force policy.

Commenting upon this feature of murderous violence Judge Anderson said: "In 1905 there was a contest on between the American Bridge Company, a concern engaged in the erection of structural iron, and the International Association of Bridge and Structural Iron Workers, of which association all but two of the defendants in this case are members, over the open and closed shop question, the bridge company having declared its purpose to conduct its affairs on the open shop basis. In August, 1905, the international association declared a general strike

against the bridge company throughout the United States, and this later was extended to all open shop concerns in any way connected or allied with, or subsidiary to, the bridge company. This strike has never been settled.

"In the early period of its existence the strike was attended with the usual incidents of picketing, slugging and rioting, but in 1906 a campaign by dynamite was inaugurated, and, beginning with explosions in the east and extending from the Atlantic to the Pacific, continuing until the arrest of the McNamaras and McManigal in April, 1911, the evidence shows that almost one hundred explosions, damaging and destroying structures in process of erection by and machinery of open shop concerns took place, culminating on the first day of October, 1910, in the destruction of the Los Angeles Times building and the murder of twenty-one persons.

"Every one of these explosions was upon the work of open shop concerns and no explosion is shown to have taken place upon any closed shop job. Since the arrest of the McNamaras and McManigal these explosions have ceased. This system of destruction was not carried on for revenge or in obedience to any other human passion, but for the deliberate purpose of a veritable reign of terror to enforce compliance with the demands of the iron workers upon the open and closed shop question."

Samuel Gompers, John Mitchell and Frank Morrison, leaders in the organization known as the Federation of Labor, were, in 1912, found guilty of violating an antiboycott injunction issued in the Buck case and sentenced to jail for contempt of court, Gompers to serve one year, Mitchell nine months, and Morrison six. The Buck Company were manufacturers of stoves and ranges on which the Federation of Labor had placed a boycott. An appeal was taken by

counsel for Gompers, Mitchell and Morrison to the federal court of appeals, which affirmed the finding of the lower court, but, on the ground that the sentences were too severe, reduced that of Gompers to thirty days in jail and remitted those of Mitchell and Morrison entirely, assessing a money fine of \$500 against each of the latter defendants. In arriving at this decision the court of appeals was, for the first time in the hearing of a labor case, divided. Chief Justice Sheppard was the dissenting member. He held that the finding of the lower court should be reversed in its entirety; that contempt of a federal court was a criminal offense and that the statute of limitations applied. Justice Van Orsdel, speaking for the majority of the court, held that the attitude of the defendant Mitchell in refusing to assure the lower court of his intention to obey the mandates of trial courts was important in measuring the intent and temper of the respondents, and that this virtually amounted to a renewal of the offense. Hence the statute of limitations did not apply.

This case was remarkable principally on account of the character of the defendants. All three of these men had established reputations for conservatism in labor affairs and the Federation of Labor, which they represented, advocated this same conservatism as its policy in dealing with labor troubles.

## CHAPTER XCIX.

1912

### AVIATION RECORD OF 1912.

Season Notable Mainly by Reason of an Unusually Long List of Fatalities. — Forty-six Deaths Reported. — Of These Twenty-two Were Widely Known as Experts. — Four of the Most Daring Aviators in the World Among the Victims. — Two Women Fliers Killed. — World's Championship and James Gordon Bennett Cup Won at Chicago by Jules Vedrine. — American Experts Set New Records Abroad. — Mere Boy Makes a Fast Trip From Chicago to Milwaukee, Following the Lake. — Earl Sandt Flies Across Lake Erie in Thirty Minutes. — Death of Wilbur Wright a Severe Blow to Aviation. — Wonders Accomplished by the Wright Brothers Under the Tutelage of Octave Chanute. — Use of the Flying Machine in War.

With the exception of fatalities, which were unusually numerous, some forty-six flying machine operators losing their lives, the American season of 1912 was unmarked by anything of special moment, save that in two instances records were broken. Lieut. John H. Towers, of the United States navy, using a Curtiss hydro-aeroplane, set a new endurance mark on October 6th, 1912, at Annapolis, Md., by remaining afloat in the air continuously for 6 hours, 10 minutes and 35 seconds, exceeding the best previous record, made by Paul Peck, in May, 1912, by nearly two hours. At Clearing, near Chicago, September 9th, 1912, Jules Vedrines, of France, broke the speed record by flying 12.4 miles in 6 minutes 55.95 seconds, an average rate of nearly  $107\frac{1}{2}$  miles an hour, or over one and three-quarters miles a minute. He used a 140-horsepower Deperdussin monoplane. The American casualty record was a formidable one and doubtless had a deterrent effect on further spread of



the sport. Fatal accidents began January 22d, 1912, when Rutherford Page was killed at Los Angeles, Calif., and the most important (because they were the best known) followed in the following order:

April 3.—Galbraith P. Rodgers, Long Beach, Calif.

May 1.—Walter Brookins, South Amboy, N. J.

May 13.—Ray Wheeler, St. Louis, Mo.

May 21.—Fred J. Southard, Xenia, Ohio.

June 1.—Philip O. Parmalee, North Yakima, Wash.

June 11.—Lieut. L. W. Hazlehurst and A. L. Welch, College Park, Md.

June 17.—Miss Julia Clark, Springfield, Ill.

July 1.—Miss Harriet Quimby and W. A. P. Willard, Atlantic, Mass.

July 13.—Victor M. Smith, Jr., Palo Alto, Calif.

August 21.—George Thompson, Denver, Col.

September 6.—William Chambers, Greene, N. Y.

September 11.—Paul Peck, Chicago.

September 14.—Howard Gill, Chicago.

September 20.—Russell Blair, Shenandoah, Iowa.

September 28.—Lieut. L. C. Rockwell and Corporal F. S. Scott, College Park, Md.

September 28.—John L. Longstaff, Hempstead, New York.

October 3.—Charles F. Walsh, Trenton, N. J.

October 6.—Kondo (Japanese), Hammondsport, New York.

October 23.—Louis Mitchell, Montgomery, Ala.

Of these victims Rodgers was one of the most notable. He had won an endurance prize of \$10,000 at the Chicago meet in 1911, and was the first man to accomplish the feat of flying across the continent from Sheepshead Bay, N. Y., to Los Angeles, Calif. This he did in 1911, after winning the \$10,000 prize at Chicago. The cause of his death at Long Beach has never been satisfactorily explained, but is supposed to have been caused by heart disease. He

was sailing over the surf at an altitude of only two hundred feet and had started back to the shore when he was observed to relax his hold on the controlling levers. Something must have occurred to cause him to become unconscious or to lose control of himself, as he was too experienced and clever an operator to do such a thing knowingly. Relieved from control the machine plunged into the surf. Life guards who went to the rescue found Rodgers lying with his head over one of the wings and his body under the engine. He was unconscious and died before reaching the hospital.

Miss Clark met her death in a fall of barely thirty feet. She was making a test flight in a biplane at the state fair-grounds at Springfield, Ill., and collided with a tree. The machine dropped to the ground with Miss Clark under it, crushing her so badly that she died while being taken to a hospital.

Miss Quimby was higher in the air—about one thousand feet—when the accident which caused her death and that of her companion, W. A. P. Willard, occurred. She had been making a flight at the Boston aviation meet, of which Mr. Willard was manager, and was returning from a trip over Boston harbor to Boston light, a distance of twenty miles. The wind was gusty and Miss Quimby attempted to bring her machine lower by volplaning. In doing this it assumed an almost perpendicular position, and Miss Quimby and her companion were thrown out. Both were drowned. Miss Quimby was the first woman to obtain an aviator's license in the United States and the first woman to cross the English channel in an aeroplane.

Howard Gill's death was caused by an aeroplane collision. September 14th, 1912, Gill was driving a biplane in a speed contest at the Aero Club meet in Chicago, when he was run into by a monoplane driven

by George Mestach, a Frenchman. The accident was unavoidable, occurring at dusk, and, as the contestants were moving at high speed, it was difficult for them to see distinctly. The tail of Gill's machine was torn off and it fell to the ground, Gill being killed. Mestach was also seriously injured, but escaped with his life.

While trying to make a spiral descent from a height of one thousand feet, Paul Peck was killed at the same Chicago meet, September 11th, three days before Gill met death. Peck had descended about seven hundred feet of the distance when he seemed to lose control of his machine. Suddenly it dropped like a dead weight and was wrecked, Peck being crushed to death.

It is a curious commentary on the uncertainties of aviation that all of these victims, even the women, were expert in the handling of flying machines. There were no amateurs among them. It is best explained, probably, on the theory that long-continued success and freedom from serious accident breeds carelessness, leading the aviators to take risks of an extra hazardous nature. The victims of the other fatalities while, in many cases supposed to be quite expert, were, as a rule, but little known.

Lieutenant Scott, of the United States, won the Michelin prize of \$5,000 in the aeroplane bomb dropping contest at Mourmelon, France, August 11th, 1912.

Charles T. Weymann, another American, covered the distance of ninety miles from St. Malo to the island of Jersey and back, in 1 hour and 40 minutes, on August 26th, 1912, winning the race. It was a contest of hydro-aeroplanes.

At the Chicago meet held near Clearing, Jules Vedrine on September 9th, 1912, the same day he set a new aeroplane speed record, won the world's champ-

ionship and the James Gordon Bennett cup by covering 124.8 miles in 70 minutes and 56.8 seconds, a rate of 105.5 miles an hour. He used the same 140-horsepower Deperdussin monoplane that he did in setting the speed record.

Farnum T. Fish, a mere boy in years, made a flight of about ninety miles, from Chicago to Milwaukee, May 25th, 1912, most of his route being over Lake Michigan. In doing this it is claimed Fish broke the world's overwater record of seventy-eight miles held by Paulham. Fish made the ninety-mile trip in 2 hours, 6 minutes. He carried a seventy-five pound package of silk, delivering it to a Milwaukee department store.

Early in the year — February 20th, 1912 — Earl Sandt crossed Lake Erie in an aeroplane, flying from Erie, Pa., to Port Rowan, Ontario, making the distance of forty miles in thirty-four minutes.

May 10th, 1912, Glenn Martin, using a hydro-aeroplane of his own construction, flew from Newport Bay, Calif., to Avalon, Catalina island, a distance of thirty-four miles in thirty-seven minutes.

Aviation lost one of its most ardent and successful supporters in the death of Wilbur Wright, which occurred at Dayton, Ohio, May 30th, 1912, from pneumonia. He did not long survive his friend and patron, Octave Chanute. Between them these two men accomplished wonders in the field of aviation. As told in a preceding part of this work, Chanute was universally recognized as the "father of the flying machine." He was not the father of the idea, but, through his experiments, he made the carrying out of that idea—navigation of the air—practicable, by solving the problem of maintaining equilibrium. This done he retired from further effort, devoting the rest of his time to assisting the Wright brothers to put the results of the experiments into practical

application. Chanute had demonstrated that it was possible — a hitherto much-disputed point — to sail through the air with a vehicle heavier than air. To make this practical was the duty of the Wrights. How well they accomplished this is now known the world over. Orville and Wilbur Wright were both expert mechanics and each contributed largely to the satisfactory results that have been secured, but Orville has never hesitated to give Wilbur the greater part of the credit. Starting with the old Chanute glider, and preserving the main original features which had been proved to be correct, the brothers added motor power, and one device after another until the flying machine of the present day has become a wonder of effective mechanical development. Further improvements tending to reduce the dangers of aviation were contemplated when Wilbur Wright was taken sick and died. Other men may perfect equally satisfactory safety devices, but their advent will be long delayed by Wright's death.

European wars have given opportunity to test the efficiency of the flying machines in military operations. The result of extensive experiments, especially in the Italian-Turkish war, seems to be that the airship is of value mainly as a means of reconnoitering, of spying on an enemy's country from a safe distance. As engines of destruction they are practically failures. It was thought for a time that they could be utilized for dropping bombs and similar offensive proceedings but this has been shown to be a fallacy, even though some of the brainiest men at first argued in its favor.



## CHAPTER C.

1912

### MONEY TRUST ENQUIRY AND MORGAN'S DEATH.

Congress Investigates the "Power of Wall Street."—Reason for the Enquiry.—Scope of the Investigation.—Subjects on Which Information was Desired.—Bankers Who Testified.—Important Facts Brought Out.—Enormous Concentration of Capital in Few Hands.—Financial Connections of the Firm of J. P. Morgan & Co.—Resources of Over \$2,600,000,000.—This Vast Amount of Money Wisely Used.—Defects in the National Bank System.—One Cause of Money Panics.—Advantages of the Canadian Plan.—Death of J. P. Morgan.—His Place in the World of Finance.—A Constructor, Not a Wrecker.—Famous Deals With John W. Gates.—Why They Were Made.—Saving the New York Central From Bankruptcy.—His Life Record.—Getting the Best of Fisk and Gould in an Early Day.—Why the Northern Pacific was Bought.—Morgan's Personal Characteristics.—Gruff to Rudeness, but Good-hearted.—Large Gifts for Charity.

For years there has been a well-defined opinion in this country that the actual money of the nation has been manipulated by a coterie of bankers and speculators for their own benefit. By hoarding it in times of scarcity they could raise the rates of interest and depress the value of such articles as must be sold. Per contra, when conditions were favorable these same men could unload large sums of cash on "the street" and force up values by furnishing the means with which to encourage buying orders. The effect of such a power in the hands of unscrupulous men may be readily understood. It means that eventually what is known as the "common people" must become the vassals of the money trust—mere pawns on the checker-boards of life.

It was this which led the lower house of congress to adopt, February 24th, 1912, a resolution authoriz-

ing the committee on banking and currency to make a full investigation of the situation. This body, known as the Pujo committee, because the chairman was Congressman Arsene P. Pujo, of Louisiana, called on the bankers of the country for details in writing as to the following points:

A. Statement of stocks, bonds and other securities owned.

B. Securities purchased from officers, etc.

C. Loans to financial institutions and to individuals secured in whole or in part by stocks of financial institutions.

D. Syndicate or underwriting operations.

E. Due to and from banks.

F. Miscellaneous resources and liabilities.

G. Officers, directors and stockholders — their stocks and loans.

H. Calls for: Joint occupancy, if another banking institution occupies the same office.

Title of joint occupant.

Is it controlled by or does it control this bank?

States manner and extent of control.

Has it practically the same officers and clerks?

Affiliated financial institutions:

What institutions are affiliated with this bank?

Is stock of affiliated institution owned by stockholders of this bank?

If as a corporation, to what extent?

If as individuals, to what extent?

Does transfer of one stock convey ownership of the other?

Is stock held in trust for benefit of stockholders of this bank?

How many banks have been merged in your present organization, either directly or indirectly by the dissolution of other banks and the purchase of their business and assets?

Give the names of these absorbed banks, their capital stocks and the dates they were taken over.

Enquiry into these details was generally resented by bankers as being too personal and inquisitorial, many of the financiers disputing the right of congress, or any other body, to drag out information of this nature unless it pertained to proceedings in court. This committee perserved, however, and insisted upon the questions being answered. This was followed by the oral examination of witnesses during which a number of prominent men were heard, including A. Barton Hepburn, chairman of the New York clearing house in 1907; Frank A. Vanderlip, of the National City Bank, New York; R. H. Thomas, president of the New York stock exchange in 1907, at the time of the panic; William M. Cloud, president of the State Bank of Maryland; C. A. Pugsley, president of the New York Bankers' Association; W. E. Frew, chairman of the New York Clearing House Association in 1912; J. H. Griesel, of Griesel & Rogers, New York; Frederick Lewisohn, of the New York banking firm of Lewisohn Bros., and J. Pierpont Morgan.

These gentlemen, as a rule, gave testimony cheerfully, answering the various questions directly and with much minuteness. The evidence given by Mr. Morgan was held to be of unusual value and interest as outlining for the first time in an authoritative manner the financial connections and ramifications of the firm of which he was head. When the evidence was all in the report made by the statistical experts employed by the committee was given to the public. According to this report eighteen banks and trust companies control, through interlocking directorates of 134 concerns, \$25,325,000,000 of the capital of the country invested in industrial, transportation and general financial enterprises.

The eighteen banks and trust companies named, through firm members and directors numbering 180, hold in the aggregate 385 directorships in forty-one banks and trust companies having total resources of \$3,832,000,000 and total deposits of \$2,834,000,000; fifty directorships in eleven insurance companies, having total assets of \$2,646,000,000; 155 directorships in thirty-one railroad systems having a total capitalization of \$12,193,000,000 and a total mileage of 163,200; six directorships in two express companies and four directorships in one steamship company, with a combined capital of \$245,000,000 and gross income of \$97,000,000; ninety-eight directorships in twenty-eight producing and trading corporations having a total capitalization of \$3,583,000,000 and total gross annual earnings in excess of \$1,145,000,000, and forty-eight directorships in nineteen public utility corporations having a total capitalization of \$2,286,000,000 and total gross annual earnings in excess of \$428,000,000; in all, 749 directorships in 134 corporations having total resources or capitalization of \$25,325,000,000.

The eighteen banks and trust companies named in the report were:

J. P. Morgan & Co., New York; First National Bank, New York; Guaranty Trust Company, New York; Bankers' Trust Company, New York; National City Bank, New York; Kuhn, Loeb & Co., New York; National Bank of Commerce, New York; Hanover National Bank, New York; Chase National Bank, New York; Astor Trust Company, New York; New York Trust Company, New York; Speyer & Co., New York; Blair & Co., New York; Continental and Commercial National Bank, Chicago; First National Bank, Chicago; Illinois Trust and Savings Bank, Chicago; Kidder, Peabody & Co., Boston and New York; Lee Higginson & Co., Boston and New York.

The report in explaining a chart relating to Morgan & Co., the First National Bank, the National City Bank, the Guaranty Trust Company and the Bankers' Trust Company, said:

The table shows that J. P. Morgan & Co., the First National Bank, the National City Bank, the Guaranty Trust Company and the Bankers' Trust Company together have:

One hundred and eighteen directors in thirty-four banks and trust companies having total resources of \$2,679,000,000 and total deposits of \$1,938,000,000.

Thirty directors in ten insurance companies having total assets of \$2,293,000,000.

One hundred and five directors in thirty-two-transportation systems having a total capitalization of \$11,784,000,000 and a total mileage (excluding express companies and steamship lines) of 150,200.

Sixty-three directors in twenty-four producing and trading corporations having a total capitalization of \$3,339,000,000.

Twenty-five directors in twelve public utility corporations having a total capitalization of \$2,150,000,000.

In all 341 directors in 112 corporations having aggregate resources or capitalization of \$22,245,000,000.

That J. P. Morgan & Co., the Guaranty Trust Company, the Bankers' Trust Company and the First National Bank together have:

Eighty-nine directors in such banks and trust companies.

Twenty-nine directors in such insurance companies.

Seventy-eight directors in such transportation systems.

Forty-nine directors in such producing and trading corporations.



Sixteen directors in such public utility corporations.

In all 261 directors.

That J. P. Morgan & Co., the Guaranty Trust Company, the Bankers' Trust Company together have:

Seventy-eight directors in such banks and trust companies.

Twenty-nine directors in such insurance companies.

Sixty-four directors in such transportation systems.

Forty-four directors in such producing and trading corporations, and

Fourteen directors in such public utility corporations.

In all 229 directors.

It was the consensus of opinion among the bankers examined that this combination of capital and interlocking system of directorships was without serious objectionable feature, and was more economical than otherwise in its purposes. Some thought that possibly it might be beneficial to bring the New York clearing house under regulation, but as to the wisdom of this there was grave difference in opinion.

It was developed beyond question that the opportunity for concerted action by large controllers of capital exists, and that their not taking advantage of this opportunity in a manner injurious to the general public is entirely a matter of moral sentiment. Nothing, however, has been done as yet to check, or in any manner restrain or minimize, this opportunity. It is well understood that the business of the country (and of the world) is done largely on credit, such cash as is needed being furnished by the monetary centers like New York and Chicago. There is an almost constant movement of money towards these cities and it accumulates in the hands of the

bankers. If it is to be the interest of these bankers to encourage business they will act liberally in making loans, taking a low rate of interest and not being over critical as to the nature of the security offered. But, should conditions be reversed, should the controllers of money think it best to depress values, they may tighten upon their loans, demanding a high rate of interest, accepting nothing except gilt-edged security, and in many cases flatly declining to make loans on any terms, on the plea that they haven't the money to spare.

If our currency system were elastic like that of Canada this condition could not exist. It was this condition that President Taft referred to in his message to congress December 6th, 1912. There is no real shortage of money in this country at any time, except as a shortage is artificially created by those whose interest it is, for the time being, to have a scarcity. At such times the available supply in circulation is "cornered" just as grain, or any other product would be. It is tied up and withdrawn from circulation, and in the parlance of Wall street, "money is scarce and hard to get." This condition exists until the controllers of the money supply think it best to loosen up.

Our national bank currency has one feature of elasticity. To a certain extent it may be expanded or contracted at the will of the national bank managers, but under such restrictions as to make the privilege practically worthless. To secure national bank notes for circulation the banks must deposit with the United States authorities government bonds to an amount equal to the amount of notes required. With the bonds selling at a premium and bearing a low rate of interest, the investment is not an attractive one, even if the circulation notes could be obtained in a hurry to meet an urgent demand, which is

seldom or never the case. In Canada the banks issue their own circulating currency without deposit of security except to a nominal amount, and yet bank failures, or the dishonoring of a bank note, are comparatively unknown in the Dominion. Under the Canadian systems money stringency and resultant panic is impossible. Should a shortage of money exist in one section it is quickly relieved by the banks forwarding supplies of currency to the local branches, and this in turn is sent back to headquarters, or otherwise withdrawn from circulation, when the pressure is over.

In considering the Canadian proposition it should be remembered that the bankers of that country are bankers pure and simple. They make money by supplying the needs of their patrons, by keeping money in circulation. If the money of a bank is not working it is as valueless, so far as earning power is concerned, as so much waste paper. Canadian bankers are not promoters; they do not interest themselves in deals on the stock exchange. When they advance money for an enterprise it is only after careful examination, assurance that the project is legitimate and promising, and generally—especially if the amount is very large—with the consent and approval of a majority of the directors.

Mr. Morgan did not long survive his examination by the Pujo committee. He was heard on December 18th, 1912, almost immediately after which he went abroad, dying at Rome, Italy, March 31st, 1913. There can be little doubt but that his death was, to some degree, hastened by the exertions to which he was subjected at the investigation. At that time he was in an extremely feeble state, speaking with difficulty, and unable to undergo any extended physical exertion. In reporting his death the attending physicians ascribed it to a gradual collapse, followed by

a condition of nervous prostration, which prevented the digestive organs from performing functions, and affected the mental faculties.

The world has known few men like Mr. Morgan. He was a giant intellectually and an irresistible power in financial affairs. It is only natural that such a man should have had bitter enemies. At the same time he had a host of warm, devoted friends. His character may be best summed up in the words of the Pope, who, in commenting on his death, said: "He was a great and a good man." During his lifetime there was radical difference of opinion as to the effect of his influence on the community. Those who opposed him held that this influence was bad; even vicious. His friends, and these multiplied enormously when he passed away, maintained that he was a great power for good. One thing may be truthfully said: Mr. Morgan's influence was always exerted in the direction of building up industries, never in wrecking them. This side of his character was well illustrated when John W. Gates started trouble in Wall street by getting control of the Louisville & Nashville Railroad.

Fearful of the disastrous result should a man of the well-known speculative tendencies of Gates be allowed full swing untrammelled, Mr. Morgan formed a syndicate which bought out the Gates' holdings at a price which at that time was considered exorbitant. When asked why this was done Mr. Morgan said: "Mr. Gates was a dangerous element in the railroad world. We took the stock from him in order to aid in the settlement of disturbed conditions." It was at Morgan's directions that the Gates' holdings in steel properties, notably the Tennessee Coal & Iron property, was also acquired in order to protect the United States Steel Corporation in the organization of which he was heavily interested.

Morgan's influence was felt directly, and always for good, in every large railroad and industrial corporation movement of recent years. Chauncey M. Depew named him "the doctor of Wall street," and his office became known as the hospital for crippled railroads. It was Morgan who brought order out of chaos in the disastrous fight between the New York Central and West Shore lines, saving one, and probably both of them, from going into the hands of receivers. For this service Mr. Vanderbilt presented him with a silver set which cost \$300,000, and then had the dies broken so it could not be duplicated. It was Mr. Morgan who formulated the celebrated "gentlemen's agreement" in 1887 when he got the presidents of a number of trunk lines together and induced them to consent to a policy which would prevent further harmful competition while keeping within the law. One of the presidents tried to break this agreement for the benefit of his own road. To do this he had to have money in large quantities. To his surprise he found that he could not raise a dollar. The Morgan influence was exerted against him and he was beaten.

Mr. Morgan was the son of a banker, Junius Spencer Morgan. He was born in Hartford, Conn., April 17th, 1837, being 76 years old at the time of his death. As a boy he was not considered over bright, and was not a particularly encouraging student when he attended the East high school at Boston, Mass. In the meantime the ability of his father had attracted the attention of George Peabody, the London banker, and at the request of the latter the Morgan family removed to London to establish the house of J. S. Morgan & Co., which is still in existence. This gave the son, J. Pierpont Morgan, opportunity to attend the University of Gottingen, from which he was graduated in 1857. He then en-



tered the service of J. S. Morgan & Co., continuing with them two years. Following this he returned to New York and got a position with the firm of Duncan, Sherman & Co. In 1861 he assisted in organizing and became a member of the firm of Dabney, Morgan & Co. Mr. Morgan was still a young man, barely 24, but he soon began to give evidence of the financial genius which later made him famous. His first really big and sensational coup was made in 1869. Jay Gould and James Fisk were then in the heyday of their power and were using the Albany & Susquehanna road as a shuttlecock in their manipulations. Quietly young Morgan stepped in and, unknown to either Gould or Fisk, bought control of the road at an average price of 25 cents on the dollar. Troublesome times ensued, the courts and the state troops being both called upon, but Morgan was game and finally had the satisfaction of seeing his stock sell readily at par.

This coup gave him world-wide fame, and the Drexels, of Philadelphia, at that time the greatest bankers in the country, established the house of Drexel, Morgan & Co., in New York, with young Morgan in charge. In 1895 this house was reorganized as J. P. Morgan & Co., the Philadelphia business being left to the Drexels, while Morgan centered his activities in New York, London and Paris. At present there are ten partners in the firm of J. P. Morgan & Co., viz.: J. P. Morgan, the younger, Henry P. Davidson, E. T. Stotesbury, Charles Steele, Temple Bowdin, Wm. Pierson Hamilton, Arthur E. Newbold, Wm. H. Porter, Thomas W. Lamont, and Horatio G. Lloyd. Each of these men has some well-defined field of operation. There were many details, and important ones, with which even Mr. Morgan, Sr., was not acquainted. When he was before the Pujo committee, for instance, he was asked:

"How much did the \$15,000,000 Northern Pacific cost?"

"I don't know."

"How much did your firm make out of it?"

"I don't know."

"Well, did you make \$1,000,000 or \$10,000,000?"

"I tell you I don't know. I don't attend to details. I said 'buy it.' Steele knows about the details. He'll tell you about that."

And asked to give his reason for making the purchase, Mr. Morgan said:

"I feel bound when I reorganize a property to protect it, and I generally do protect it."

It was this characteristic of protecting the properties in which he was interested, of guarding them against the attacks of professional wreckers, that won for Mr. Morgan the confidence of investors. It was known that, barring the ordinary hazards of business, his enterprises would be successful; or at least would not be used as tools in stock speculation. In brief, Mr. Morgan was a constructionist, a builder-up, and the success of numerous gigantic railway and industrial projects may be directly attributed to him.

The exact amount of the Morgan fortune is not known to the public, and probably never will be. It has been variously estimated at from \$250,000,000 to double that, and even more. The amount, however, is immaterial. The secret of his power lay, not in the sum he actually owned, but in the enormous amounts he could command, and, as already explained, in his financial genius. There was practically no limit to the amount of capital at his disposal when he gave endorsement to an enterprise and said: "Go ahead." Of large bulk physically, and rough, almost to rudeness in his intercourse, he was of generous disposition and charitable to a large degree in a quiet,

unostentatious manner. He deprecated publicity, especially as regards his alms-giving, preferring to work quietly and unknown. It is related of him that on one occasion, at the request of a friend, he made a handsome donation, something like \$300,000 to a certain charity with the understanding that nothing was to be said about it. The friend happened to mention the Morgan contribution, barely mention it. Some time later he again approached Mr. Morgan for another contribution, and was met with a refusal, Mr. Morgan saying: "You talk too much." Almost immediately after he had left the Morgan office another handsome check was sent to the charity. It was the Morgan way of doing things. He didn't want his benefactions gossiped about. In his will he left directions, without going into details, that his charities be continued, charging one of his trusted friends with this duty.

His son, another John Pierpont Morgan, known to his familiars as "Jack" Morgan, succeeds to the head of the business and the bulk of the Morgan fortune. As an evidence of the thoroughness with which he had his worldly affairs arranged the death of this Napoleon of finance caused scarce a ripple in the stock market. Such a thing would have been impossible in the case of a man of lesser ability, and even smaller financial holdings.

## CHAPTER CI.

1913

### MR. WILSON TAKES OFFICE AS PRESIDENT.

Formation of the Wilson Cabinet.—Troubles Beset the New Administration From the Start.—Revolution in Mexico a Serious Embarrassment.—Charges against Ambassador Wilson.—Anti-Japanese Legislation in California.—Why it was Adopted.—Mission of Secretary Bryan.—Part Taken by President Wilson in the Senatorial Struggle in Illinois.—Rebuff for the Executive.—Dissatisfaction Among Southern Democrats Caused by the New Tariff Bill.—Attempts to Place Raw Sugar, Iron Ore, Lumber and Wool on the Free List Likely to Meet With Opposition From Southern Senators.—List of Articles on Which Tariff is to be Removed.—Heavy Reductions Made on Manufactured Articles.

March 4th, 1913, Woodrow Wilson was inaugurated as president and Thomas Marshall as vice president. It was the advent of the first Democratic national administration since that of Grover Cleveland in 1893, a matter of twenty years. On taking office President Wilson announced his cabinet as follows:

Secretary of State—William Jennings Bryan, Nebraska.

Secretary of the Treasury—William Gibbs McAdoo, New York.

Secretary of War—Lindley M. Garrison, New Jersey.

Attorney General — James Clark McReynolds, Kentucky.

Postmaster General — Albert Sidney Burleson, Texas.

Secretary of the Navy—Josephus Daniels, North Carolina.

Secretary of Agriculture—David Franklin Houston, Missouri.

Secretary of Commerce—William Cox Redfield, New York.

Secretary of Labor — William Bauchop Wilson Pennsylvania.

President Wilson began to have his troubles from the very beginning of his regime, but thus far has met them without serious discomfiture. His predecessor (President Taft) left him a disagreeable legacy in the form of the Mexican trouble, which during the closing days of the Taft administration assumed more threatening international complications. Henry Lane Wilson, United States ambassador to Mexico, was charged with being largely responsible for the overthrow of the Madero government, which occurred in February. It was alleged, and never strongly contradicted, that Wilson gave official encouragement to the revolutionists, leading them to understand that their success would not be looked upon unkindly by the powers at Washington. At any rate he did nothing to sustain the established government of Mexico, which, as outlined by President Taft in his messages on conditions in Cuba and Nicaragua, was to be the policy of this country. Americans who were in Mexico at the time were outspoken in their criticism of Mr. Wilson's attitude, alleging that had he remained neutral, or taken a dignified stand in support of the Madero government, much of the trouble might have been avoided.

February 23d, 1913, Madero and the vice president, Jose Pino Suarez, having been imprisoned by order of Gen. Victoriano Huerta, were being transferred from the place to the penitentiary when both were shot to death, an official statement being issued to the effect that they were killed while trying to escape. Following this there was more rioting and skirmishing among the Mexican forces on the American frontier, and in a number of instances the lives of non-com-



batants were endangered by the bullets which crossed the line into American territory. Troops were hurriedly massed on the frontier, and more diplomatic notes of warning sent, but this was all. The Mexicans paid no attention to them. This was the condition which faced President Wilson when he took office.

Another serious international dispute was that growing out of the effort of California to adopt anti-Japanese legislation. This was first made manifest during the latter days of the Taft administration in a proposal to bar Japanese children from California public schools. While strictly a state measure with which the national government had nothing to do, the influence of President Taft was exerted to prevent action which would have the effect of antagonizing the people of the kingdom, still flushed with warlike spirit by their victory over Russia. In this Mr. Taft was successful. Shortly afterward, however, the government at Washington, of which Mr. Wilson had become the head, was called upon to face a more serious proposition. The Japanese were obtaining a foothold in California, considerable numbers being either owners or lessees of land. Census figures of 1910 show 41,324 Japanese in the state, outnumbering the Chinese by 5,127. It was asserted that this was a menace to California and it was sought to overcome it by making the Japanese ineligible to hold land; by the adoption of legislation which would brand them as undesirables. Protest was at once made by Japan through the state department at Washington. It was not a subject with which the federal government could deal directly, being strictly a matter concerning California, but President Wilson took action as a peace-maker the same as Mr. Taft had done. Finding telegraphic communication without avail, he sent Secretary of State Bryan to the

coast to consult with Governor Johnson and the law-makers, and advise them as to what would be acceptable to both Japan and the United States. It was urged by Mr. Bryan that, while California undoubtedly had power to act as it saw fit, the situation was one affecting the entire country and as such should be handled carefully with due regard for the welfare of the country as a whole. Necessity for the avoidance of legislation which would exasperate and annoy Japan was dwelt upon.

Mr. Bryan's mission was without effect. The Californians listened courteously, but remained firm. When the secretary of state left they were still determined to adopt legislation that would bar the Japanese, but consented to delay action in order that President Wilson and his advisers might have further opportunity to discuss the matter in diplomatic correspondence with Japan.

California claims the constitutional right to bar the Japanese on the ground that they are Mongolians. This is denied by the Japanese, who assert that they are of Arayan descent.

Election of two United States senators in Illinois also gave President Wilson considerable trouble. Expulsion of William Lorimer, and expiration of the term of Shelby M. Cullom, made two vacancies. In the fall of 1912, Illinois elected a Democratic governor and legislature, and for some time after the legislature was organized it was thought Democrats could be chosen to fill both terms. Divisions among both the Democrats and Republicans, however, made this impossible. Governor Dunne favored a compromise by the selection of a Democrat for the long term and a Republican for the short term. President Wilson, on appeal by leaders of his party insisted upon the selection of two Democrats, and Secretary of State Bryan undertook to secure this result, but without

success. Balloting, which began February 11, 1913, dragged along without results for seven weeks before an agreement was reached and the senators elected. When this was done James Hamilton Lewis, Democrat, was named for the full six-year term, and Lawrence Y. Sherman, Republican, to fill the two-year Lorimer vacancy. These men were favored by Governor Dunne. The final vote was as follows:

FOR LEWIS FOR LONG TERM.

Democrats .....	97
Republicans .....	63
Progressives .....	4
<hr/>	
Total .....	164

FOR SHERMAN FOR SHORT TERM.

Republicans .....	72
Democrats .....	66
Progressives .....	5
<hr/>	
Total .....	143

This result, while all that could be expected under the circumstances, did not tend to strengthen the Wilson administration any in Illinois. It left both parties pretty badly split up. To the last the state organization Democrats, with the backing of the state committee, held out for the election of two Democrats, thirty-two of them refusing to vote for Sherman, while ten Republicans declined to vote for Lewis.

President Wilson encountered opposition in his own party on his plans for tariff revision. With the assistance of Chairman Underwood, of the ways and means committee of the house, a bill was prepared for submission to congress, several provisions of which were opposed by Democratic members. This opposition, however, was not so noticeable in the

house as in the senate. Southern senators declared openly in favor of the protection of their home industries, particularly sugar and cotton, while those from other sections took similar action. That this threatens the success of any tariff legislation may be seen from the fact that a change of four Democratic votes would be sufficient to kill or amend any part of the bill.

President Wilson was elected on a tariff-for-revenue-only platform, but he is not that kind of a tariff man. The first declaration in the platform reads: "The federal government, under the constitution, has no right or power to impose or collect tariff duties, except for the purpose of revenue." President Wilson and the Democratic leaders in congress have made it apparent that they do not intend to be bound by this declaration. The president has promised that he will not favor radical cuts, but will devote his energies toward securing such changes as will make monopolies impossible. While there is a free sugar clause in the new bill to which various Democratic senators are opposed, it is well understood that there is no serious intention of adopting it, but that it will afford a basis for the trading of votes, thus proving that the tariff, as General Hancock once said, "is a great local issue." Each section of the country wants its own home industries protected, and to get votes to this end is willing to swap votes for the protection of other industries in which it is not directly interested. It is this which threatens the success of President Wilson's tariff plans.

While President Wilson has made no public declaration on the subject it is understood that his efforts will be mainly directed to making the manufacturers of finished articles, and not the producers of raw materials, stand the brunt of the tariff reductions, with a view to breaking up monopolies and

trusts. And yet, contrary to the Democratic doctrine of tariff for revenue only, there will be plenty of protection scattered through the new bill. As agreed upon by the president and the ways and means committee of the house, the new measure makes an immediate cut of 25 per cent in the duty on sugar, and makes it free of duty in 1916. Reductions ranging from 20 to 99 per cent are made in the tariff on wooden goods of various kinds, and of 22 to 79 per cent on cotton goods. The following articles, as well as numerous minor commodities, are placed on the absolute free list:

Meats, flour, bread, boots and shoes, lumber, coal, harness, iron ore, nails, milk, cream, raw wool potatoes, salt, swine, corn, typewriters, steel rails, sewing machines, fence wire, salt fish, sugar, farm implements.

Of the items on the free list the South is particularly interested in lumber, iron ore, raw wool and sugar. The lumber industries in Georgia and Tennessee, the iron industry of Alabama, the raw wool industry of Texas, and the sugar industry of Louisiana, will all marshal forces in opposition to the placing of these particular articles on the free list.

It is estimated that the contemplated change will cause a loss of \$120,000,000 in the revenues of the United States. This, it is proposed, to make up through levying a tax on the incomes of individuals, firms, and corporations. Under the plan proposed, the rate to be assessed on all incomes over \$4,000 is 1 per cent. All incomes between \$20,000 and \$50,000 are to be taxed 1 per cent in addition to the first tax of 1 per cent. All incomes from \$50,000 to \$100,000 are subject to a sur-tax of 2 per cent; and all incomes of more than \$100,000 will have to bear a sur-tax of 2 per cent; and all incomes of more than \$100,000 will have to bear a sur-tax of 3 per cent.



## CHAPTER CII.

1913

### GREAT DAMAGE BY TORNADO AND FLOOD.

Destructive Tornado at Omaha.—Heavy Loss of Lives and Property.—Peculiar Course of the Storm.—First of Its Kind in Nebraska's History.—Path of Destruction Shaped Like a Horseshoe.—Offers of Financial Assistance From Neighboring Cities Declined.—Omaha People Able and Willing to Care for the Victims.—Severe Floods in Ohio and Indiana.—Swollen Rivers Overflow and Submerge Many Prosperous Towns.—Dayton, Ohio, One of the Worst Sufferers.—Work of Rescue and Relief.—Part Taken by the National Government.—President Wilson's Appeal for Aid.—Secretary of War Directed to Act.—Generous Financial Donation Made by Chicago People.

Toward the end of March the country was scourged by tornadoes and floods of great severity. The disturbances began at Omaha, Neb., late in the afternoon of March 23d, 1913, when a terrific whirling wind storm mowed a path of destruction across the western edge of the city in a northeasterly direction. A pathway twenty-four blocks long and from three to seven blocks in width marked the course of the storm. Within this district, which was largely in the best residence part of the city, nearly 3,000 buildings were destroyed or damaged, and some 1,200 to 1,500 people were made homeless. The death list was placed at 200, with nearly 500 injured. The money loss was estimated at \$5,000,000.

Omaha was not the only town which suffered. The disturbance was felt first as far south as Terre Haute, Ind., where nineteen people were killed and over two hundred injured. From there it swept to the northwest, striking a number of small places in Nebraska with more or less disastrous results, then curved to

the northeast through Ohama, and, crossing the Missouri river, cut a path across Iowa and Illinois, finally disappearing at Traverse City, Mich. In all, some fourteen towns, aside from Terre Haute and Omaha, suffered. Even in Chicago the storm had its victims, six people being killed and forty hurt.

This was the first destructive tornado ever experienced at Omaha. Previous storms of this nature had always worked from the east in a westerly direction across Iowa, stopping at the bluff on the western bank of the Missouri river, on which Omaha is located. This had given the people of that city the impression that it was tornado proof. In the latest storm the point of origin was somewhere to the southeast near Terre Haute, from which it moved in a northwesterly direction, striking Omaha from an entirely unexpected quarter. Offers of assistance poured into the stricken city from all quarters, but none was accepted. Among others, President Wilson wired Mayor Dahlman in the following language:

"I am deeply distressed at the news received from Nebraska. Can we help in any way?"

Mayor Dahlman's reply was characteristic of the West. In substance it was repeated in answer to all similar enquiries. He said:

"We deeply appreciate your offer of assistance, but our people are responding nobly and I believe we can handle the situation. Major Hartman, of Fort Omaha, and his men came promptly to our assistance and are doing great work. The people of Omaha desire, however, to express their gratitude to you for your message of sympathy."

This was probably the first and only time when a city like Omaha, suffering from a sudden and terrible calamity, found itself in a position to care for its own victims without the aid of outsiders.

Immediately following the tornado, and even in sections where there was merely a high wind, heavy rain storms set in, and the rivers in Indiana and Ohio were uncontrollable torrents. This is particularly true of the Miami, the Scioto, Ottawa, Maumee, St. Mary and Wabash. Levees were broken and banks were overflowed until all the low country was under water and the resultant damage was far greater, both in loss of life and property, than that caused by the tornado. Nearly every town of any size in the lowlands of both states contributed victims. Dayton probably suffered the most, but Columbus, Sidney, Cincinnati, Stratford, Mt. Vernon, Tiffin, Delaware, Middletown, and Indianapolis and Peru, Ind., were all sorely afflicted, as well as a score of the smaller places.

In a widespread disaster of this nature it is practically impossible to get an accurate report of the fatalities and money loss. The first is sure to be exaggerated, especially at the start, and the latter lost sight of in the more important work of rescuing those in danger and relieving the wants of the suffering. Facts gathered from the most reliable sources make it reasonably certain that close to 1,000 people lost their lives in the flooded districts. The situation was so acute that President Wilson issued a proclamation calling on the people of the country at large for assistance, in which he said:

"The terrible floods in Ohio and Indiana have assumed the proportions of a national calamity. The loss of life and the infinite suffering involved prompt me to issue an earnest appeal to all who are able in however small a way to assist the labors of the American Red Cross, to send contributions at once to the Red Cross at Washington or to the local treasurers of the society.

"We should make this a common cause. The needs of those upon whom this sudden and overwhelming disaster has come should quicken everyone capable of sympathy and compassion to give immediate aid to those who are laboring to rescue and relieve.

"Woodrow Wilson."

March 25th Governor Cox, of Ohio, wired to the president as follows, urging immediate help:

"We have asked the secretary of war this morning for tents, supplies, rations and physicians. In the name of humanity see that this is granted at the earliest possible moment. The situation in this state is critical. We believe that 250,000 people were unsheltered last night and the indications are that before night the Muskingum valley will suffer the fate of the Miami and Scioto valleys."

To this President Wilson responded:

"Have directed the secretary of war immediately to comply with your request and to use every agency of his department to meet the needs of the situation."

Serious as were the losses of life and damage to property in the flooded districts, Dayton was still further scourged by a disastrous fire. The heaviest money losses, however, were caused by the embargo placed on business by the high water. For weeks railway transportation was suspended, and about the only traffic handled consisted of food supplies, clothing, etc., for the suffering people. There was great privation for a time and many deaths occurred from exhaustion and shock. Appeals for aid met with generous response in all parts of the country, especially in Chicago, where over \$200,000 was raised in a couple of days.

For a time it was feared that the swollen streams pouring into the Mississippi would cause the latter to break through the levees, and produce serious in-

nudations in Mississippi and Louisiana. Fortunately this turned out to be groundless and, with exception of minor instances, the country escaped the threatened danger.

It was a couple of weeks before the worst of the wreck caused by the floods in Ohio and Indiana was cleared away, and it was realized that the first reports of disaster had been, as was natural, wildly exaggerated. The money loss proved to be considerably less than was expected, while the number of human victims was much smaller than at first given out.

Previous to the floods in Indiana and Ohio disastrous overflows had occurred throughout the Mississippi valley. Owing to the heavy and late snowfalls and the somewhat sudden melting of the snow in the latter part of March and the first part of April, 1912, a vast volume of water was poured into the Mississippi river by its tributaries. At some places the levees were broken and at other places they were overflowed with the result that thousands of acres of rich farming lands were inundated. At Cairo, Ill., May 4, the river stood at 53.9 feet, which was 1.7 feet above the high water mark of 1883. At Memphis the high record mark was broken by 3 feet.

At the request of the mayor of Cairo troops were sent to patrol the levees at that city April 2. The soldiers were supplemented by hundreds of railroad and other laborers and through their efforts the dikes protecting the town were strengthened sufficiently to withstand the pressure. The Mobile & Ohio levee broke April 4 and the drainage district north of Cairo was flooded, causing a damage estimated at \$5,000,000. Railroad service was almost cut off, being maintained in some instances only by the use of tugs where the lines were under water. April 5 the government levee west of Hickman, Ky., protecting the



Reelfoot lake district of Kentucky and Tennessee, gave way and a large area of country was innudated.

April 7 it was estimated by government engineers and state levee boards that as a result of the floods, which then had continued two weeks, thirty persons had been drowned and 30,000 made homeless, that 2,000 square miles of territory had been inundated and that damage had been caused amounting to \$10,-000,000. Several levees on both sides of the Mississippi above and below Memphis had given away and large areas of land in Tennessee, Arkansas, Kentucky, Missouri, Mississippi and Louisiana were under water. In the northern part of the city of Memphis twenty-five blocks were submerged, 1,300 persons were made homeless and 3,000 were thrown out of work by the shutting down of factories. Railroad traffic was interrupted and Hickman, Ky., for a time was on the verge of a famine on account of the lack of supplies. The destitution in the flooded districts was great until relieved by Federal and state aid.

In Mississippi, where the flood was at its worst about April 20, many deaths from drowning occurred. Fifteen persons were lost near Benoit in the flood that came from a break in the levee between that place and Beulah. It was reported that altogether about 200 lives were lost in Bolivar county, Mississippi. The majority of the victims were colored.

Congress, at the request of President Taft, appropriated \$350,000 April 2 for the relief of the flood sufferers. May 7 congress appropriated the further sum of \$1,239,179.65 for the same purpose. The money was expended for supplies furnished by the quartermaster-general and the commissary-general of the army.

People versed in meteorological affairs saw in a slight earthquake shock which visited Illinois, Wis-

consin and Iowa in January, 1912, a premonition of the more serious disturbances which followed. The seismic upheaval did no damage, but it was taken as an indication that the elements were in a state of unrest. The shock was felt about 10 o'clock, Tuesday, January 2d, and was quite noticeable throughout northern Illinois, southern Wisconsin and eastern Iowa. The quake was distinctly felt in Chicago at 10:21 a. m., the motion apparently being from east to west. Among the towns affected by the tremor were Chicago, Aurora, Elgin, Morris, Dixon, Galesburg, Rockford, Freeport, Stirling, Ottawa, Waukegan, Joliet, DeKalb, Mendota and Lockport in Illinois; Milwaukee, Janesville and Kenosha in Wisconsin, and Davenport in Iowa.

## CHAPTER CIII.

1912

### GIFTS TO CHARITY AND EDUCATION IN 1912.

Wonderful Record of Liberality.—Donations Nearly Double Those of Preceding Year.—Carnegie Heads the List With Enormous Total.—Princely Gift by Robert N. Carson for Girls' School.—Rockefeller Gifts.—What J. P. Morgan Did.—His Manner of Giving.—The Julius Rosenwald Money.—Liberal Donations by Widener, Hewitt and Crane.—How the Money Was Distributed.—Large Contributions by Mrs. Sage and Helen Gould.—Various Causes Benefited.—Charities Receive the Greatest Aid.—Educational Institutions Come Next, and Religious Bodies Third.

Gifts and bequests to the amount of \$241,821,719 were made for charitable and educational purposes during the year 1912. Of this huge sum Andrew Carnegie contributed \$130,403,000. His largest gift was \$125,000,000 in one sum to the Carnegie Foundation of New York. In addition to this he made two gifts of \$2,000,000 each to the Carnegie Technical Schools and the Carnegie Foundation. The remainder of his gifts, ranging from \$1,000,000 down to \$1,000, were distributed for various purposes, the smallest being given for the purchase of organs for country churches.

Robert N. Carson left \$6,000,000 by will for the establishment of a girls' school. John D. Rockefeller was not as active as in former years, when he seemed to compete with Mr. Carnegie for the honor of making the largest contributions. The Rockefeller donations in 1912 amounted to only \$277,000. J. P. Morgan is known to have given \$591,700 to various causes, but the amount distributed was really much greater. Mr. Morgan was known as a "quiet" giver,

preferring to make his gifts anonymously so the source of the benefactions would remain unknown and he would thus be saved from the visits of professional alms hunters. He would seldom contribute except through someone in whom he had implicit confidence. When a new charity was brought to his notice he would investigate thoroughly and then, if the object were a worthy one, he would very likely turn down the solicitor without a dollar, sending a handsome donation direct so the recipients would never know who it came from.

Julius Rosenwald, president of the Sears-Roebuck Co., Chicago, was a liberal giver. During the year he made personal donations of \$760,000, while the firm of which he is the head contributed a round one million dollars. P. A. B. Widener, of Philadelphia, gave \$5,000,000, of which \$4,000,000 went to a school for crippled children, and \$1,000,000 for a library building at Harvard. F. C. Hewitt, of Oswego, N. Y., was another liberal man, leaving over \$4,500,000 for various purposes, \$2,513,000 of which went direct to charities. R. T. Crane, of Chicago, gave by will \$2,135,000; of this \$1,000,000 was for pensions of employees, \$1,000,000 to the Home for Helpless Children, and \$100,000 to the United Charities.

With the exception of the sums given by Carnegie, Rockefeller, Morgan, Wiedener and Rosenwald, most of the large amounts were left by will. While all donations for charitable and educational purposes, whether made during the lifetime of the giver or not, are laudable and deserving of credit, it takes a great deal more courage to give away money during life than it does to leave it by will to be distributed after death. The giving of \$1,000 while the donor is alive requires much more of an effort than the giving of \$100,000 after death. In the one instance he is parting with something for which he may have use at

any time; it is a sacrifice. In the other he puts himself to no hardships. The money is not distributed until after his death, and then he has no further use for it. Consequently the donations made by the men named, and by such women as Mrs. Russell Sage and Helen Gould, may be classed as instances of phenomenal liberality.

In 1910 gifts and bequests amounted to \$141,990,-436. In 1911 the amount was \$126,499,918. Both years were considered good ones. But 1912 was the banner year for liberality in this regard. The immense total of \$241,821,719 represents only public donations, those of which there is a record. If it were possible to ascertain the amount given privately the total would undoubtedly be close to \$500,000,000. Of the total amount \$177,923,076 represents gifts and \$63,898,643 bequests. This large sum has been distributed as follows: In charities of various kinds, \$184,747,555; educational institutions, \$35,207,907; religious bodies, \$10,847,756; art museums, galleries and municipal improvements, \$8,906,501; libraries, \$2,112,000. The women of the country contributed \$17,787,287 of the total amount, \$12,252,037 by bequests, and \$5,535,250 by gifts, distributed as follows: Charities, \$9,001,791; educational, \$4,650,345; churches, \$2,181,151; museums, etc., \$1,685,000; libraries, \$269,000.

Among the large individual gifts to special causes were the following:

By Andrew Carnegie—Carnegie corporation of New York, \$125,000,000; Carnegie Technical schools, \$2,000,000; Carnegie Teachers' Foundation fund, \$2,-000,000; San Francisco library, \$750,000; Minneapolis branch library, \$125,000; Yale Forestry school, \$100,000; Somerville, Mass., library, \$80,000; Muskogee, Okla., library, \$50,000; Nashville, Tenn., branch library \$50,000; Puyallup, Wash., library,



\$35,000; Christian College, Columbia, Mo., \$25,000; Ripon, Wis., college \$25,000; president's pension fund, annual \$25,000; Mayfield, Ky., library, \$20,000; Enfield, Conn., library, \$20,000; Wells College, \$18,000; Winfield, Kans., library, \$15,000; Winchester, Ky., library, \$15,000; Crowley, La., library, \$15,000; Columbus Kas., library, \$10,000; Tuberculosis home, Farmingdale, N. J. \$10,000; Titanic relief fund, \$5,000; miscellaneous, \$10,000; total, \$130,403,000. Approximately, Mr. Carnegie has given away during his struggle to get rid of his money about \$350,000,000. According to his own statement he has \$25,000,000 still clinging to him, which he has devised by will.

By John D. Rockefeller—Illinois Wesleyan College, \$125,000; New York Sailors' home, \$50,000; Brown University, \$25,000; to Y. M. C. A., \$30,000; Pasteur home, Paris, \$11,000; tuberculosis home, Farmingdale, N. J., \$10,000; Young Woman's Hebrew association, N. Y., \$5,000; Lakewood, N. J., hospital, \$5,000; miscellaneous, \$16,000. Total, \$277,000.

By Mrs. Russell Sage—To save Bird Island, La., \$150,000; Sag Harbor, N. Y., library, \$122,000; Princeton university, \$65,000; Syracuse university, \$15,000; Columbia Medical school, \$25,000; Audubon society, \$15,000; New York Woman's League for Protection of Animals, \$19,000; Balkan Red Cross fund, \$10,000; Chinese Relief fund, \$6,000; charity, \$5,000; Seattle Y. W. C. A., \$1,500. Total, \$428,500.

By J. Pierpont Morgan—Trinity college, \$200,000; Peabody Teachers' college, \$100,000; Church Unity movement, \$100,000; Y. M. C. A., London, \$50,000; University of Gottingen, \$50,000; Sailors' home, New York, \$50,000; Fisk university, \$25,000; Titanic relief fund, \$10,000; New York Hospital association, \$5,000; miscellaneous, \$1,700. Total, \$591,700.

By Helen Gould—New York Y. M. C. A. and Y. W. C. A., \$271,000.

By Julius Rosenwald—Charities, \$325,000; University of Chicago, \$250,000; Chicago Hebrew institute, \$50,000; Social Workers' Country club, \$50,000; New York colored Y. M. C. A., \$25,000; Cincinnati colored Y. M. C. A. \$25,000; Glenwood Training school, \$25,000; public schools, \$10,000. Total, \$760,000.

By P. A. B. Widener—Widener School for Crippled Children, \$4,000,000; Harvard University library building, \$1,000,000.

By F. C. Hewitt—To various charities, \$2,513,000; Yale university, \$500,000; Metropolitan Art museum, \$1,500,000.

By R. T. Crane—Employees' pensions, \$1,000,000; Home for Helpless and Motherless Children, \$1,000,000; charities, \$135,000.

We thus find ten individuals contributing \$146,365,700 of the total sum given. A wonderful record.

## CHAPTER CIV.

1912

### AMENDED COPYRIGHT AND PATENT ACTS.

Works Which may be Copyrighted.—Enlargement of the Law.—How Copyright is Secured.—Routine of Application.—Protection of Foreign Publications.—Duration of Copyright.—Penalties for Infringement.—Who May Take out Copyrights.—Application for Patents.—How Made.—Nature of Articles Protected.—Length of Protection.—Fees for Patents.—Registration of Trade-Marks.—Manner of Obtaining the Same.—Fees for Registration.

The act to amend and consolidate the acts respecting copyright, in force August 24, 1912, provides that any person entitled thereto, upon complying with the provisions of the law, shall have the exclusive right (a) to print, reprint, publish, copy and vend the copyrighted work; (b) to translate the copyrighted work or make any other version of it if it be a literary work; to dramatize it if it be a nondramatic work; to convert it into a novel or other nondramatic work if it be a drama; to arrange or adapt it if it be a musical work; to finish it if it be a model or design for a work of art; (c) to deliver or authorize the delivery of the copyrighted work if it be a lecture, sermon, address or similar production; (d) to perform the copyrighted work publicly if it be a drama or, if it be a dramatic work and not reproduced in copies for sale, to vend the manuscript or any record thereof; to make or to procure the making of any transcription or record thereof by which it may in any manner be exhibited, performed or produced, and to exhibit, perform or produce it in any manner whatsoever; (e) to perform the copyrighted work publicly for profit if it be a musical composition and

for the purpose of public performance for profit and to make any arrangement or setting of it in any system of notation or any form of record in which the thought of an author may be read or reproduced.

So far as it secures copyright controlling the parts of instruments serving to reproduce mechanically the musical work, the law includes only compositions published after the act went into effect; it does not include the works of a foreign author or composer unless the country of which he is a citizen or subject grants similar rights to American citizens. Whenever the owner of a musical copyright has used or permitted the use of the copyrighted work upon the part of instruments serving to reproduce mechanically the musical work, any other person may make a similar use of the work upon the payment to the owner of a royalty of 2 cents on each such part manufactured. The reproduction or rendition of a musical composition by or upon coin-operated machines shall not be deemed a public performance for profit unless a fee is charged for admission to the place where the reproduction occurs.

The works for which copyright may be secured include all the writings of an author.

The application for registration shall specify to which of the following classes the work in which copyright is claimed belongs:

(a) Books, including composite and cyclopedic works, directories, gazetteers and other compilations.

(b) Periodicals, including newspapers.

(c) Lectures, sermons, addresses, prepared for oral delivery.

(d) Dramatic or dramatic-musical compositions.

(e) Musical compositions.

(f) Maps.

(g) Works of art; models or designs for works of art.

- (h) Reproductions of a work of art.
- (i) Drawings or plastic works of a scientific or technical character.
- (j) Photographs.
- (k) Prints and pictorial illustrations.
- (l) Motion pictures and photoplays.

These specifications do not, however, limit the subject matter of copyright as defined in the law nor does any error in classification invalidate the copyright protection secured.

Copyright extends to the work of a foreign author or proprietor only in case he is domiciled in the United States at the time of the first publication of his work or if the country of which he is a citizen grants similar copyright protection to citizens of the United States.

Any person entitled thereto by the law may secure copyright for his work by publication thereof with the notice of copyright required by the act, and such notice shall be affixed to each copy published or offered for sale in the United States. Such person may obtain registration of his claim to copyright by complying with the provisions of the act, including the deposit of copies, whereupon the register of copyrights shall issue to him a certificate as provided for in the law. Copyright may also be had of the works of an author of which copies are not reproduced for sale by the deposit with claim of copyright of one complete copy, if it be a lecture or similar production, or a dramatic or musical composition; of a photographic print if it be a photograph, or of a photograph or other identifying reproduction thereof if it be a work of art or a plastic work or drawing.

After copyright has been secured there must be deposited in the copyright office in Washington, D. C., two complete copies of the best edition thereof, which copies, if the work be a book or periodical, shall have



been produced in accordance with the manufacturing provisions of the act, or if such work be a contribution to a periodical for which contribution special registration is requested, one copy of the issue or issues containing such contribution. Failure to deposit the copies within a given time after notice from the register of copyrights makes the proprietor of the copyright liable to a fine of \$100 and twice the retail price of the work, and the copyright becomes void.

The text of all books and periodicals specified in paragraphs (a) and (b) above, except the original text of a book of foreign origin in a language other than English, must in order to secure protection be printed from type set within the limits of the United States, either by hand, machinery or other process, and the printing of the text and the binding of the books must also be done within the United States. An affidavit of such manufacture is required.

The notice of copyright required consists either of the word "copyright" or the abbreviation "copr.," accompanied by the name of the copyright proprietor, and if the work be a printed literary, musical or dramatic work, the notice must also include the year in which the copyright was secured by publication. In the case, however, of copies of works specified in paragraphs (f) to (k) inclusive (given above) the notice may consist of the letter C inclosed within a circle, accompanied by the initials, monogram, mark or symbol of the copyright proprietor, provided his name appears elsewhere on the copies. In the case of a book or other printed publication the notice shall be applied on the title page or on the page immediately following, or if a periodical either upon the first page of text of each separate number or under the title heading; or if a musical work upon its title page of music.

Where the copyright proprietor has sought to comply with the law with respect to notice, the omission of such notice by mistake from a particular copy or copies shall not invalidate the copyright or prevent recovery for infringement against any person who, after actual notice of the copyright, begins an undertaking to infringe it, but shall prevent the recovery of damages against an innocent infringer who has been misled by the omission of the notice.

In the case of a book in English published abroad before publication in this country, the deposit in the copyright office within thirty days of one copy of the foreign edition, with a request for the reservation of the copyright, secures for the author or owner an ad interim copyright for thirty days after such deposit is made.

The copyright secured by the act endures for twenty-eight years from the date of the first publication. In the case of any posthumous work, periodical, encyclopedic or other composite work upon which the copyright was originally secured by the proprietor thereof, or of any work copyrighted by a corporate body, or by an employer for whom such work is made for hire, the proprietor of such copyright shall be entitled to a renewal of the copyright in such work for the further term of twenty-eight years when application for such renewal shall have been made within one year prior to the expiration of the original terms. In the case of any other copyrighted work, including a contribution by an individual author to a periodical or to a cyclopedic or other composite work when such contribution has been separately copyrighted, the author of such work, if living, or the heirs, executors or next of kin, if the author be dead, shall be entitled to a renewal of the copyright for a further term of twenty-eight years. In default of such application for renewal, the copyright in any

work shall end at the expiration of twenty-eight years.

If any person shall infringe the copyright in any work protected under the copyright laws of the United States, such person shall be liable:

(a) To an injunction restraining such infringement.

(b) To pay to the copyright proprietor such damages as the copyright proprietor may have suffered due to the infringement, as well as all the profits which the infringer shall have made from such infringement, and in proving profits the plaintiff shall be required to prove sales only and the defendant shall be required to prove every element of cost which he claims, or in lieu of actual damages or profits such damages as to the court shall appear to be just, and in assessing such damages the court may, in its discretion, allow the amounts as hereinafter stated (in numbered paragraphs), but in the case of a newspaper reproduction of a copyrighted photograph such damages shall not exceed the sum of \$200 nor be less than \$50, and such damages shall in no other case exceed the sum of \$250 and shall not be regarded as a penalty:

1. In the case of a painting, statue or sculpture, \$10 for every infringing copy made or sold by or found in the possession of the infringer or his agents or employees;

2. In the case of any work enumerated in the list (given above) of works for which copyright may be asked, except a painting, statue or sculpture, \$1 for every infringing copy.

3. In the case of a lecture, sermon or address, \$50 for every infringing delivery.

4. In the case of dramatic or dramatico-musical or a choral or orchestral composition, \$100 for the first and \$50 for every subsequent infringing per-

formance; in the case of other musical compositions, \$10 for every infringing performance.

(c) To deliver up on oath all articles alleged to infringe a copyright.

(d) To deliver up on oath for destruction all the infringing copies or devices, as well as all plates, molds, matrices or other means for making such infringing copies, as the court may order.

(e) Whenever the owner of a musical copyright has used or permitted the use of the copyrighted work upon the parts of musical instruments serving to reproduce mechanically the musical work, then in case of infringement by the unauthorized manufacture, use or sale of interchangeable parts, such as disks, rolls, bands or cylinders for use in mechanical music-producing machines, no criminal action shall be brought, but in a civil action an injunction may be granted upon such terms as the court may impose and the plaintiff shall be entitled to recover in lieu of profits and damages a royalty as provided in the act.

Any person who shall willfully and for profit infringe any copyright, or willfully aid or abet such infringement, shall be deemed guilty of a misdemeanor, and upon conviction thereof shall be punished by imprisonment for not exceeding one year or by a fine of not less than \$100 nor more than \$1,000, or both, in the discretion of the court. It is provided, however, that nothing in the act shall prevent the performance of religious or secular works, such as oratorios, cantatas, masses or octavo choruses by public schools, church choirs or vocal societies, provided the performance is for charitable or educational purposes and not for profit.

Any person who shall fraudulently place a copyright notice upon any uncopyrighted article, or shall fraudulently remove or alter the notice upon any

copyrighted article, shall be deemed guilty of a misdemeanor and shall be subject to a fine of not less than \$100 nor more than \$1,000. Any person who shall knowingly sell or issue any article bearing a notice of United States copyright which has not been copyrighted in this country, or who shall knowingly import any article bearing such notice, shall be liable to a fine of \$100.

During the existence of the American copyright in any book the importation of any piratical copies thereof or of any copies not produced in accordance with the manufacturing provisions of the copyright law, or of any plates of the same not made from type set in this country, or any copies produced by lithographic or photo-engraving process not performed within the United States, is prohibited. Except as to piratical copies this does not apply:

(a) To works in raised characters for the blind;

(b) To a foreign newspaper or magazine, although containing matter copyrighted in the United States printed or reprinted by authority of the copyright owner, unless such newspaper or magazine contains also copyright matter printed without such authorization;

(c) To the authorized edition of a book in a foreign language of which only a translation into English has been copyrighted in this country;

(d) To any book published abroad with the authorization of the author or copyright proprietor under the following circumstances:

1. When imported, not more than one copy at a time, for individual use and not for sale, but such privilege of importation shall not extend to a foreign reprint of a book by an American author copyrighted in the United States;

2. When imported by or for the use of the United States;



3. When imported, for use and not for sale, not more than one copy of any such book in any one invoice, in good faith, by or for any society or institution incorporated for educational, literary, philosophical, scientific or religious purposes, or for the encouragement of the fine arts, or for any college, academy, school or seminary of learning, or for any state school, college, university or free public library in the United States;

4. When such books form parts of libraries or collections purchased en bloc for the use of societies, institutions or libraries, or form parts of the library or personal baggage belonging to persons or families arriving from foreign countries and are not intended for sale.

No criminal actions shall be maintained under the copyright law unless the same be begun within three years after the cause of action arose.

Copyright may be assigned, mortgaged or bequeathed by will.

There shall be appointed by the librarian of congress a register of copyrights at a salary of \$4,000 a year and an assistant register at \$3,000 a year.

These with their subordinate assistants shall perform all the duties relating to the registration of copyrights. The register of copyrights shall keep such record books in the copyright office as are required to carry out the provisions of the law, and whenever deposit has been made in the copyright office of a copy of any work under the provisions of the act he shall make entry thereof.

In the case of each entry the person recorded as the claimant of the copyright shall be entitled to a certificate of registration under seal of the copyright office.

The register of copyrights shall receive and the persons to whom the services designated are render-

ed shall pay the following fees: For the registration of any work subject to copyright, \$1, which sum is to include a certificate of registration under seal: Provided, that in the case of photographs the fee shall be 50 cents where a certificate is not demanded. For every additional certificate of registration made, 50 cents. For recording and certifying any instrument of writing for the assignment of copyright or license, or for any copy of such certificate or license, duly certified, if not over 300 words in length, \$1; if more than 300 and less than 1,000, \$2; if more than 1,000 words in length, \$1 additional for each 1,000 words or fraction thereof over 300 words. For recording the notice of user or acquiescence specified in the act, 25 cents for each notice of not over fifty words and an additional 25 cents for each additional 100 words. For comparing any copy of an assignment with the record of such document in the copyright office and certifying the same under seal, \$1. For recording the extension or renewal of copyright, 50 cents. For recording the transfer of the proprietorship of copyrighted articles, 10 cents for each title of a book or other article in addition to the fee for recording the instrument of assignment. For any requested search of copyright office records, indexes or deposits, 50 cents for each full hour consumed in making such search. Only one registration at one fee shall be required in the case of several volumes of the same book deposited at the same time.

Copyright of a motion-picture photoplay may be had by the deposit with the claim of copyright of a title and description, with one print taken from each scene or act. Copyright of a motion picture other than a photoplay may be had by the deposit with the claim of copyright of a title and description, with not less than two prints taken from different sections of a complete motion picture. In the case of the in-

fringement of an undramatized or nondramatic work by means of motion pictures, where the infringer shall show that he was not aware that he was infringing and that such infringement could not have been reasonably foreseen, the damages shall not exceed \$100; in the case of the infringement of a copyrighted dramatic or dramatico-musical work by a maker of motion pictures and his agencies for the distribution thereof to exhibitors, where such infringer shows that he was not aware that he was infringing a copyrighted work, the entire sum of damages recoverable shall not exceed \$5,000, nor be less than \$250.

A patent may be obtained by any person who has invented or discovered any new and useful art, machine, manufacture or composition of matter, or any new and useful improvement thereof previously patented or described in this or any other country, for more than two years prior to his application, unless the same is proved to have been abandoned. A patent may also be obtained for any new design for a manufacture, bust, statue, alto-relievo or bas-relief; for the printing of woolen, silk or other fabrics; for any new impression, ornament, pattern, print or picture to be placed on or woven into any article of manufacture; and for any new, useful and original shape or configuration of any article of manufacture, upon payment of fees and taking the other necessary steps.

Applications for patents must be in writing, in the English language and signed by the inventor if alive. The application must include the first fee of \$15, a petition, specification and oath, and drawings, model or specimen when required. The petition must be addressed to the commissioner of patents and must give the name and full address of the applicant, must designate by title the invention sought to be

patented, must contain a reference to the specification for a full disclosure of such invention and must be signed by the applicant.

The specification must contain the following in the order named: Name and residence of the applicant with title of invention; a general statement of the object and nature of the invention; a brief description of the several views of the drawings (if the invention admits of such illustration); a detailed description; claim or claims; signature of inventor and signatures of two witnesses. Claims for a machine and its product and claims for a machine and the process in the performance of which the machine is used must be presented in separate application, but claims for a process and its product may be presented in the same application.

The applicant, if the inventor, must make oath or affirmation that he believes himself to be the first inventor or discoverer of that which he seeks to have patented. The oath or affirmation must also state of what country he is a citizen and where he resides. In every original application the applicant must swear or affirm that the invention has not been patented to himself or to others with his knowledge or consent in this or any foreign country for more than two years prior to his application, or on an application for a patent filed in any foreign country by himself or his legal representatives or assigns more than seven months prior to his application. If application has been made in any foreign country, full and explicit details must be given. The oath or affirmation may be made before any one who is authorized by the laws of this country to administer oaths.

Drawings must be on white paper with india ink and the sheets must be exactly 10x15 inches in size, with a margin of one inch. They must show all details clearly and without the use of superfluous lines.

Applications for reissues must state why the original patent is believed to be defective and tell precisely how the errors were made. These applications must be accompanied by the original patent and an offer to surrender the same; or, if the original be lost, by an affidavit to that effect and certified copy of the patent. Every applicant whose claims have been twice rejected for the same reasons may appeal from the primary examiners to examiners in chief upon the payment of a fee of \$10.

The duration of patents is for seventeen years except in the case of design patents, which may be for three and a half, seven or fourteen years, as the inventor may elect.

Caveats or notices given to the patent office of claims to inventions to prevent the issue of patents to other persons upon the same invention, without notice to caveators, may be filed upon the payment of a fee of \$10. Caveats must contain the same information as applications for patents.

Schedule of fees and prices:

Original application.....	\$15.00
On issue of patent.....	20.00
Design patent (3½ years).....	10.00
Design patent (7 years).....	15.00
Design patent (14 years).....	30.00
Caveat .....	10.00
Reissue .....	30.00
First appeal .....	10.00
Second appeal .....	20.00

For certified copies of printed patents:

Specifications and drawing, per copy.....	\$0.05
Certificate .....	.25
Grant .....	.50
For manuscript copies of records, per 100 words	.10
If certified, for certificate.....	.25
Blue prints of drawings, 10x15, per copy.....	.25



Blue prints of drawings, 7x11, per copy.....	.15
Blue prints of drawings, 5x8, per copy.....	.05
For searching records or titles, per hour.....	.50
For the Official Gazette, per year, in United States .....	5.00

Under the law passed by congress February 20, 1905, and effective April 1, 1905, citizens of the United States, or foreigners living in countries affording similar privileges to citizens of the United States, may obtain registration of trade-marks used in commerce with foreign nations, or among the several states, or with Indian tribes, by complying with the following requirements: First, by filing in the patent office an application therefor in writing, addressed to the commissioner of patents, signed by the applicant, specifying his name, domicile, location and citizenship; the class of merchandise and the particular description of goods comprised in such class to which the trade-mark is appropriated; a statement of the mode in which the same is applied and affixed to goods, and the length of time during which the trade-mark has been used. With this statement shall be filed a drawing of the trade-mark, signed by the applicant or his attorney, and such number of specimens of the trade-mark as may be required by the commissioner of patents. Second, by paying into the treasury of the United States the sum of \$10 and otherwise complying with the requirements of the law and such regulations as may be prescribed by the commissioner of patents.

The application must be accompanied by a written declaration to the effect that the applicant believes himself to be the owner of the trade-mark sought to be registered and that no other person or corporation has the right to use it; that such trade-mark is in use and that the description and drawing presented are correct. Trade-marks consisting of or com-

prising immoral or scandalous matter, the coat of arms, flag or other insignia of the United States or of any state or foreign nation cannot be registered. Fees for renewal of trade-marks and for filing opposition to registration are \$10 each; for appeals from examiners to the commissioner of patents, \$15 each.

Further information may be had by applying to the commissioner of patents, Washington, D. C.

For copyright blanks and additional information as to copyright regulations address the register of copyrights, library of congress, Washington, D. C.

## CHAPTER CV.

1912

### UNITED STATES MILITARY AND NAVAL ACADEMIES.

Object of the Institutions.—Method of Obtaining Admission.  
—Mental and Physical Requirements.—Pay of the Cadets.  
—Terms of Enlistment.—Pay on Entering the Service.—  
Chances of Promotion.—Increase of Pay Conditional on  
Length of Service.—Appointments From Civil Life.—  
How Secured.—The Essentials.

Theoretically all appointments to officers' commissions in the regular army are confined to graduates of the United States military academy at West Point. In recent years, however, the number of graduates has not been large enough to fill the vacancies in the army and many commissions are given to young men in civil life. In 1912, 400 young men were thus commissioned. How they obtained entry into army life and their prospects will be treated of later in this chapter.

The United States military academy is a school for the practical and theoretical training of cadets for the military service of the United States. When any cadet has completed the course of four years satisfactorily he is eligible for promotion and commission as a second lieutenant in any arm or corps in the army in which there may be a vacancy, the duties of which he may have been judged competent to perform.

Appointments—Each congressional district and territory, including the District of Columbia and Porto Rico, is entitled to have one cadet at the academy. Each state is also entitled to have two cadets from the state at large and forty are allowed

from the United States at large. The law provides that for six years from July 1, 1910, whenever any cadet shall have finished three years of his course at the academy his successor may be admitted. The appointment from a congressional district is made upon the recommendation of the representative in congress from that district and those from the state at large upon the recommendations of the senators of the state. The appointments for the United States at large are made by the president upon his own selection. The appointment from the District of Columbia is made on the recommendation of the district commissioners and that from Porto Rico on the recommendation of the resident commissioner. Appointments are made one year in advance of admission. For each candidate appointed two alternates should be nominated. Four cadets from the Philippines are admitted.

It is the almost universal plan among congressmen and senators to select the candidates for admission by competitive examination. They may, of course, avail themselves of their privilege and name the candidates without examination, but the requirements for admission to the academy are so strict and exacting, and the failures following the personal selection have been so numerous, that the competitive plan is now generally in vogue. By this means the official charged with the appointing power makes sure that the candidate he endorses has a reasonable chance of securing admission and the element of personal favoritism is largely removed. After the competitive examinations by which the candidates are selected there are further examinations to be undergone before the candidate is accepted as a cadet. These are held at West Point under the supervision of the superintendent of the academy as follows:

On the second Tuesday in January of each year the candidates selected for appointment must appear for mental and physical examination before boards of army officers at such places as the war department may designate. Candidates who pass will be admitted to the academy on March 1 following.

**Mental Requirements**—Each candidate must show that he is well versed in algebra, to include quadratic equations and progressions, plane geometry, English grammar, composition and literature, descriptive and physical geography and general and United States history.

**Physical Requirements**—No candidate will be admitted who is under 17 or over 22 years of age, or less than five feet four inches in height at the age of 17, or five feet five inches at the age of 18 and upward, or who is deformed or afflicted with any disease or infirmity which would render him unfit for military service. Candidates must be unmarried.

**Pay**—The pay of a cadet is \$600 a year and one ration a day, or commutation therefor at 30 cents a day. The total is \$709.50, to begin with his admission to the academy. No cadet is allowed to receive money or other supplies from his parents or from any other person without the sanction of the superintendent.

**Enlistment**—Before receiving his warrant of appointment a candidate for admission is required to sign an engagement to serve in the army of the United States eight years from the time of his admission to the academy.

Since the Spanish-American war, and the enlargement of the regular army, West Point has been unable to turn out enough competent cadets to properly officer the service. As a result many appointments have been made from civil life, the successful candidates taking exactly the same rank and enjoying the



same pay and privileges as the graduates from the academy. There is an impression that the West Pointers resent this and are inclined to harrass and make it unpleasant for the civilian appointees. Years ago there was undoubtedly some truth in this assertion but the cause for it no longer exists, or has been reduced to an almost imperceptible minimum. West Pointers realize that there must, of necessity, be a large number of civilian appointees, and accept the situation gracefully. Treatment of an officer named from civil life without going through West Point depends entirely upon the individual. If he is a gentleman by instinct and practice, he will be treated as such; if not, he will be snubbed and ostracized.

Every year the head army officials notify the War Department how many new second lieutenants will be required to fill vacancies. When it is known how many graduates will be turned out from West Point the Secretary of War makes up a list showing how many appointments must be made from civil life. Young men with an aspiration for any army career then apply to the congressmen, senators, or other people of influence, to be certified for examination. These examinations are held at various times at the numerous headquarters throughout the United States, notice of the time and place being sent from Washington. The physical and mental requirements are exactly the same as those applying to West Point. Examinations are conducted by a board of army officers. An average of 82½ percent is necessary to pass.

Endorsed by the examining board the candidate receives a commission as a second lieutenant. His pay will then be \$141.67 per month, with no deductions for illness or furloughs. With every five years of service there is a ten percent increase in pay for all ranks under brigadier general. Thus a second lieu-

tenant who has served twenty years receives \$198.33 per month. But service of this length in one rank is practically an impossibility. Promotion is reasonably sure to come as deaths are continually occurring among the older officers.

Retirement is compulsory at the age of 62, and may be enforced for disability at any time. Officers retired are advanced one grade and receive three-quarters of the pay and allowances of such grade. A second lieutenant (unmounted) who is retired after five years, service gets \$137.50 a month for life, three-quarters of the pay of a first lieutenant. If retired before five years of service he would get \$125.

Appointments as second lieutenants are also made from the ranks when the applicants can show their fitness.

Officers for the navy are furnished almost exclusively by the United States naval academy at Annapolis. This is conducted on about the same basis as the military academy. The students are styled midshipmen. The course of study is six years—four years at the academy and two years at sea—at the expiration of which time the examination for final graduation takes place. Midshipmen who pass are appointed to fill vacancies in the lower grades of the line of the navy, and occasionally to fill vacancies in the marine corps and in certain of the staff corps of the navy.

Appointments—Two midshipmen have been allowed for each senator, representative and delegate in congress, two for the District of Columbia and five each year from the United States at large. The appointments from the District of Columbia and five each year at large are made by the president. One midshipman is allowed from Porto Rico, who must be a native of that island. The appointment is made by the president on the recommendation of the gov-

ernor of Porto Rico. After June 30, 1913, each senator, representative and delegate in congress is allowed to appoint but one midshipman instead of two. Candidates must be actual residents of the districts from which they are nominated.

Examinations—Two examinations for the admission of midshipmen are held each year. The first is held on the third Tuesday in April under the supervision of the civil service commission at certain specified points in each state and territory. All those qualifying mentally, who are entitled to appointment in order of nomination, will be notified by the superintendent of the naval academy when to report at the academy for physical examination, and if physically qualified will be appointed. The second and last examination is held on the Third Tuesday in June at Annapolis, Md. Alternates are given the privilege of reporting for mental examination at the same time as the principals. Examination papers are all prepared at the academy and the examinations of candidates are finally passed upon by the academic board. Certificates from colleges and high schools will not be accepted in lieu of the entrance examinations at the naval academy.

Mental Requirements—Candidates will be examined in punctuation, spelling, arithmetic, geography, English grammar, United States history, world's history, algebra through quadratic equations and plane geometry (five books of Chauvenet's geometry or an equivalent).

Physical Requirements—All candidates must, at the time of their examination for admission, be between the ages of 16 and 20 years. A candidate is eligible for appointment the day he becomes 16 and is ineligible on the day he becomes 20 years of age. Candidates are required to be of good moral character, physically sound, well formed and of robust con-

stitution. The height of candidates for admission must not be less than five feet two inches between the ages of 18 and 20 years. The minimum weight at 16 years is 105 pounds with an increase of five pounds for each additional year or fraction of a year over one-half. Candidates must be unmarried.

Pay—The pay of a midshipman is \$600 a year, beginning at the date of his admission. Midshipmen must supply themselves with clothing, books, etc., the total expense of which amounts to \$280.64. Traveling expenses to the academy are paid by the government.

Enlistment—Each midshipman on admission is required to sign articles by which he binds himself to serve in the United States navy eight years (including his time of probation at the naval academy).

Pay of the higher grade of naval officers is more liberal than those of corresponding rank in the army. The admiral (commandant of the navy) receives \$13,000 a year, while the lieutenant general of the army gets \$11,000. The rate of pay for retired officers is about the same in both branches of service.

## CHAPTER CVI.

1912

### OFFICIAL EXPLANATION OF CUSTOMS DUTIES.

What Travelers may Bring Into the Country.—Articles Free of Duty.—Unconscious Smuggling.—Rules Laid Down by the Treasury Department.—Rights of Citizens and Non-Citizens.—Declarations of Baggage.—Contested Valuations.—Baggage for Transportation in Bond.—Certain Kinds of Sealskins Prohibited From Importation.—Penalty for not Declaring Articles.

In order that travelers returning to, or visiting this country entitled to bring in without the payment of duty, and those on which duty must be paid, the Treasury Department has issued an official notice of its rules governing the same. This was made necessary by the numerous conflicts which were continually arising between the customs officials and travelers, there being many attempts made to defraud the government. In a large number of instances these attempts were doubtless due to ignorance, or misconception on the part of travelers as to their privileges in the matter of passing goods duty free. In numerous other instances they were undoubtedly due to deliberate attempts to mislead and hoodwink the customs inspectors, the offenders, when detected, claiming they had acted innocently. In order to remove any cause for friction and make the conditions so plain there can be no chance of a misunderstanding, the official notice referred to was prepared and issued.

Every traveler is supposed to become acquainted with the provisions of this notice, and any attempt to pass goods in violation of its terms will be treated



as a deliberate effort at smuggling. No ordinary excuse of ignorance or misconception of the provisions will be accepted. Residents of the United States must declare all articles which have been obtained abroad by purchase or otherwise, whether used or unused, or in their baggage. The foreign value of each article, stated in United States money, must also be declared.

Articles taken from the United States and remodeled, repaired or improved abroad must be declared and the cost of such remodeling, repairing or improving must be separately stated.

The following articles are dutiable:

Household effects, including books, pictures, furniture, tableware, table linen, bed linen and other similar articles, unless used abroad by the owner for a period of a year or more.

Goods in the piece.

Articles of any nature intended for sale or for other persons.

The following articles are free if under \$100 in value and if necessary for comfort and convenience for the purposes of the journey and not for sale nor for other persons:

Clothing.

Toilet articles, such as combs, brushes, soaps, cosmetics, shaving and manicure sets, etc.

Personal adornments, jewelry, etc.

Similar personal effects, which may include cameras, canes, fishing tackle, glasses (field, opera, marine), golf sticks, guns, musical instruments, parasols, photographs, smokers' articles, steamer rugs and shawls, toys, trunks, valises, etc.

Clothing and other personal effects taken out of the United States by the passenger if not increased in value or improved in condition while abroad. If

increased in value or improved in condition, they are dutiable on the cost of the repairs.

The above lists of articles which are dutiable and non-dutiable are stated for the assistance of passengers and are not exhaustive. All articles are dutiable unless specifically exempted by law.

Pack in one trunk, if practicable, all dutiable articles.

Receipted bills for foreign purchases should be presented whenever possible.

Use does not exempt from duty wearing apparel or other articles obtained abroad, but such articles will be appraised at their value in the condition as imported, due allowance being made for depreciation through wear and use.

Wearing apparel, articles of personal adornment, toilet articles and similar personal effects of persons arriving in the United States; but this exemption shall only include such articles as actually accompany and are in the use of, and as are necessary and appropriate for the wear and use of such persons, for the immediate purposes of the journey and present comfort and convenience, and shall not be held to apply to merchandise or articles intended for other persons or for sale; provided, that in case of residents of the United States, returning from abroad, all wearing apparel and other personal effects taken by them out of the United States to foreign countries shall be admitted free of duty, without regard to their value, upon their identity being established, under appropriate rules and regulations to be prescribed by the secretary of the treasury, but no more than \$100 in value of articles purchased abroad by such residents of the United States shall be admitted free of duty upon their return.

Nonresidents of the United States are entitled to bring in free of duty, without regard to the \$100 ex-

emption, such articles as are in the nature of wearing apparel, articles of personal adornment, toilet articles and similar personal effects, necessary and appropriate for their wear and use for the purposes of the journey and present comfort and convenience and which are not intended for other persons or for sale.

Citizens of the United States or persons who have at any time resided in this country shall be deemed to be residents of the United States unless they shall have abandoned their residence in this country and acquired an actual bona fide residence in a foreign country.

Such citizens or former residents who desire the privileges granted by law to nonresidents must show to the satisfaction of the collector's representative on the pier, subject to the collector's approval, that they have given up their residence in the United States and that they have become bona fide residents of a foreign country.

The residence of a wife follows that of the husband, and the residence of a minor child follows that of its parents.

Household effects of persons or families from foreign countries will be admitted free of duty only if actually used abroad by them not less than one year, and if not intended for any other person, nor for sale. Such effects should be declared whether the passenger be a resident or a nonresident of the United States.

Articles intended for use in business or for other persons, theatrical apparel, properties and sceneries, must be declared by passengers, whether residents or nonresidents.

All cigars and cigarettes must be declared. Each passenger over 18 years of age may bring in free of duty 50 cigars or 300 cigarettes if for the bona fide use of such passenger. Such cigars and cigarettes

will be in addition to the articles included within the \$100 exemption.

The law provides that every person entering the United States shall make a declaration and entry of his or her personal baggage. The law further requires that the values of articles shall be determined by customs officers, irrespective of the statements of passengers relative thereto.

It will thus be seen that there is no discourtesy in the requirement that both a declaration and an independent appraisal shall be made. Taken together, these requirements place the passenger in the same position as any other importer of merchandise.

Passengers should observe that on the sheet given them there are two forms of declarations: the one printed in black is for residents of the United States; the one in red, for nonresidents.

The exact number of pieces of baggage, including all trunks, valises, boxes, packages and hand bags of any description accompanying the passenger, must be stated in the declaration.

The senior member of a family, present as a passenger, may make declaration for the entire family.

Ladies traveling alone should state that fact in their declarations in order that an expeditious examination of their baggage may be made.

When the declaration is prepared and signed, the coupon at the bottom of the form must be detached and retained by the passenger, and the form given to the officer of the ship designated to receive the same. A declaration spoiled in its preparation must not be destroyed, but turned over to the purser, who will furnish a new blank to the passenger.

After all the baggage and effects of the passenger have been landed upon the pier, the coupon which has been retained by the passenger must be presented at the inspector's desk, whereupon an inspector will be

detailed to examine the baggage. Passengers must acknowledge in person, on the pier, their signature to their declarations.

Examination of any baggage may be postponed if the passenger requests the officer taking his declaration to have it sent to the appraiser's store.

Passengers must not deduct the \$100 exemption in making out their declaration. Such deductions will be made by customs officers on the pier.

Passengers dissatisfied with values placed upon dutiable articles by the customs officers on the pier may demand a re-examination, but application therefor should be immediately made to the officers there in charge. If for any reason this course is impracticable, the packages containing the articles should be left in customs custody and application for reappraisement made to the collector of customs, in writing, within ten days after the original appraisement. No request for reappraisement can be entertained after the articles have been removed from customs custody.

Currency (or certified checks after June 1, 1911) only can be accepted in payment of duties, but, upon request, baggage will be retained on the piers for twenty-four hours to enable the owner to secure currency or certified checks.

The offering of gratuities or bribes to customs officers is a violation of law. Customs officers who accept gratuities or bribes will be dismissed from the service and all parties concerned will be liable to criminal prosecution.

Discourtesy or incivility on the part of customs officers should be reported to the collector at the custom house, to the deputy collector or the deputy surveyor at the pier, or to the secretary of the treasury.

Baggage intended for delivery at ports in the United States other than the port of arrival, or in transit



through the United States to a foreign country, may be forwarded thereto without the assessment of duty at the port of arrival, by the various railroads and express companies, whose representatives will be found on the pier.

Passengers desiring to have their baggage forwarded in bond should indicate such intention and state the value thereof in their declarations before any examination of the baggage has been made.

An act of congress of 1897, as amended in 1910, expressly forbids the importation into the United States of garments in whole or in part of the skins of seals taken in the waters of the Pacific ocean; and unless the owner is able to establish by competent evidence and to the satisfaction of the collector that the garments are not prohibited, they cannot be admitted.

Under sections 2802 and 3082 of the revised statutes of the United States articles obtained abroad and not declared are subject to seizure, and the passenger is liable to criminal prosecution.

## CHAPTER CVII

1912

### PUBLIC LANDS OPEN TO SETTLEMENT.

Common Belief That Government Lands are Exhausted a Fallacy. — Best are Occupied, but There is a Large Area Left. — Nearly 700,000,000 Acres Available. — Location by States. — Surveyed and Unsurveyed Territory. — Nature of the Lands. — Changes in the Homestead Law. — Conditions Under Which Homestead Right may be Exercised. — Length of Residence Reduced. — Settlement of Non-Irrigable Lands. — The Carey Land Act. — Work Accomplished Under It. — A Notable Work of Irrigation.

There is a widespread misapprehension as to the actual condition of the public domain. The general belief is that the free land is exhausted. This is an error. There was, on July 1st, 1912, nearly 700,000,000 acres of Federal lands, to be exact, 682,984,762 acres left. Of this vast area 185,362,030 acres had been surveyed and were open to settlement. The remainder, 467,622,732 acres, was unsurveyed and consequently not immediately available to settlers.

It is undeniable that the best and most easily accessible of the public lands have been occupied. The larger part of that remaining open to settlement is not particularly attractive but, under proper conditions of cultivation, may be made profitable. In some instances irrigation is required, in others drainage, and in others a clearing of timber and underbrush. The authorities of the general land office at Washington have issued the following statement showing the extent and location of these lands:

State or Territory.	Surveyed. Acres.	Unsurveyed. Acres.	Total Acres.
Alabama .....	93,040	1,600	94,640
Alaska .....	.....	*368,010,643	368,010,643
Arizona .....	12,003,186	28,592,537	40,595,723
Arkansas ....	436,210	82,000	518,210
California ....	17,671,839	5,343,499	23,015,338
Colorado .....	17,684,401	1,564,797	19,249,198
Florida .....	240,408	155,531	396,439
Idaho .....	7,172,856	11,757,537	18,970,393
Kansas .....	91,328	.....	91,328
Louisiana ....	69,198	.....	69,198
Michigan ....	92,544	.....	92,544
Minnesota ....	1,525,775	.....	1,525,775
Mississippi ...	52,400	.....	52,400
Missouri .....	1,197	.....	1,197
Montana .....	13,697,086	15,356,909	29,053,995
Nebraska ....	832,750	.....	832,750
Nevada .....	28,844,824	26,230,679	55,075,503
New Mexico..	22,241,833	11,329,650	33,571,483
North Dakota.	1,354,571	.....	1,354,571
Oklahoma ....	39,525	.....	39,525
Oregon .....	13,141,921	3,346,148	16,888,069
South Dakota.	4,039,892	81,920	4,121,812
Utah .....	12,011,921	22,037,256	34,049,177
Washington ..	1,106,783	761,306	1,868,089
Wisconsin ....	11,520	.....	11,520
Wyoming ....	30,905,022	2,570,720	33,475,742

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Grand total. 185,362,030    497,622,732    682,984,762

\*The unreserved lands in Alaska are mostly unsurveyed and unappropriated.

The unoccupied public lands in Alabama, Florida, Louisiana, Mississippi and Missouri, are mostly more or less under water, and are designated as swamps. In many instances efforts are being made on an extensive scale to reclaim these swamp lands by drain-

age. If successful, and there is strong prospect that they will be, a large amount of fertile and highly productive territory will be thrown open to settlement. Climatic conditions are such as to make life in these sections attractive, and with the land put in shape so it may be easily cultivated there is sure to be a rush for homes.

Public lands in California, Colorado, Kansas, Montana, North and South Dakota, Idaho, and Utah as a rule require irrigation before they are fit to live on and will respond to cultivation. Where water has been systematically and intelligently applied the results, almost without exception, have been highly satisfactory. In some sections dry farming methods have been adopted with success, but irrigation seems to be the one thing generally needful.

Arizona, New Mexico, Nebraska, Wyoming, and Nevada lands—are mostly barren wastes of sand fit only for grazing purposes and not particularly good for that. A few years ago there was a lot of good public land to be had in Nebraska but this has all been taken up. Land which, in the late 70's and early 80's was settled by "homesteaders" in the Valley of the Blue, and cost nothing beyond the filing and proving-up fees, is now selling readily at from \$125 to \$150 an acre.

Michigan, Minnesota, Wisconsin, Washington and Oregon lands are mostly timbered and require clearing. It is, as a rule, good land, but the cost of getting it ready for the plow acts as a deterrent to settlers. There are nearly 40,000 acres of public lands left in Oklahoma. The best of the public domain in this state is occupied; the cream has been skimmed off, but in the near future settlers will think themselves lucky to get what is now left. Alaska is, as yet, an unknown quantity.

In June, 1912, the homestead law was amended by reducing the time of residence necessary to secure a patent from five to three years, and allowing entry-men and their families to be absent from their claims five months in each year. In Arizona, New Mexico, North Dakota, Oregon, Utah, Washington, Wyoming, and California a homesteader has the right to take up 320 acres instead of 160, provided the land is non-mineral and non-irrigable, and does not contain merchantable timber.

Any person who is the head of a family, or who is 21 years old and is a citizen of the United States or has filed his declaration of intention to become such, and who is not the proprietor of more than 160 acres of land in any state or territory, is entitled to enter one-quarter section (160 acres) or less quantity of unappropriated public land under the homestead laws. The applicant must make affidavit that he is entitled to the privileges of the homestead act and that the entry is made for his exclusive use and for actual settlement and cultivation, and must pay the legal fee and that part of the commission required, as follows: Fee for 160 acres, \$10; commission, \$4 to \$12. Fee for eighty acres, \$5; commission, \$2 to \$6. Within six months from the date of entry the settler must take up his residence upon the land and cultivate the same for three years continuously. At the expiration of this period, or within two years thereafter, proof of residence and cultivation must be established by four witnesses. The proof of settlement, with the certificate of the register of the land office, is forwarded to the general land office at Washington, from which a patent is issued. Final proof cannot be made until the expiration of three years from date of entry, and must be made within five years. The government recognizes no sale of a homestead claim. After the expiration of fourteen



months from date of entry the law allows the homesteader to secure title to the tract, if so desired, by paying for it in cash and making proof of settlement, residence and cultivation for that period. The law allows only one homestead privilege to any one person.

June 10th, 1905, congress adopted what is known as the Carey Act. This has made possible the settlement and cultivation of millions of acres of desert lands, and the upholding of a large number of thriving towns and cities. Under the provisions of this act the Federal government cedes to each of the Western states willing to take advantage of its terms, one million acres of desert lands. The state holding such land, may then cause to be constructed by the state or private enterprise, irrigation plants to supply water to the land. This done, the land is sold to actual settlers at a nominal price, plus the cost of a perpetual water right. Explanation of the plan in vogue at Twin Falls, Idaho, one of the most famous and successful of these projects, will serve to illustrate the general method.

The state of Idaho contracted with a private concern to construct four irrigation plants along the Snake river in what is known as the Twin Falls country. These plants made possible the cultivation of 650,000 acres. The land was sold by the state to settlers in tracts of 160 acres and less at 50 cents an acre. The irrigation company got from \$35 to \$60 an acre for a perpetual water right, according to the location of the land. This amount is paid in from ten to twelve annual installments. On the South Side project at Twin Falls the price is \$60, plus 50 cents an acre for the state. The first payment on a 40-acre tract (the usual size) is \$131, which includes \$1 fee for recording the contract. When all the rights have been sold and paid for the settlers own

the irrigation plant as well as the land and are at no further expense except that of maintenance.

In southern Idaho this plan has been found to work exceptionally well. The country is dotted with highly productive farms and orchards. A dozen or more prosperous towns and cities exist. The most notable of these is the city of Twin Falls, a modern, well-built, handsome place of from 8,000 to 10,000 inhabitants. Seven years ago (at this writing) where Twin Falls now stands was a barren sagebrush plain.

The work of irrigation done here will stand as a monument to American enterprise. Building of dams, canals, and power houses cost, for the four projects, an aggregate of \$18,000,000. It is unquestionably the most solid, substantial work of the kind in the world.

## CHAPTER CVIII.

1912

### WORKINGS OF THE CIVIL SERVICE ACT.

Causes Which Led to Its Adoption.—Prostitution of Public Office in the Interest of Politicians.—Abuses in the Service.—Matters Which Aroused Indignation.—Prominent Part Taken by Carl Schurz.—Adoption of the Civil Service Act in 1883.—Scope of the Measure.—Principal Provisions.—Object of the Law.—How it is Overcome by Tricksters.—Reform in Methods Only Partial.—Details of Operation.

In the late 70's and early 80's the conditions attaching to the holding of public appointive office under the Federal government had become so bad as to create a public scandal of no mean proportions. The people were aroused throughout the land and there was a widespread demand for a change. The filling of public office, Federal as well as state, county, and local, had come to be looked upon as a perquisite of the politicians to be dealt out among their supporters as a reward for efforts at the polls. Efficiency, fitness for the duties of the place, was lost sight of. It became merely a question of how many votes an applicant could control; of how useful he could make himself at election time. Senators, congressmen, governors, as well as minor officials with appointive power, were all following this practice, a survival, intensified with age in its objectionable features, of the old Jacksonian theory of "To the victor belongs the spoils."

In the days of Jackson, bad as this practice was in theory, its effect was not so disastrous to the public good as in more recent years. When Jackson was president the country was comparatively small, and

its interests of much lesser account, than in the days of Hayes, Garfield, Cleveland, and their successors. People gave less attention to the manner in which they were served by appointive officials. It had come to be an accepted belief that each change in administration must, of necessity, bring with it sweeping, radical changes in the staffs of public employees. It was accepted as a matter of course that the adherents of the losers must step down and out, making place for those who had supported the winners. This rule obtained even when the changes in administration were purely personal, the politics of the incomers being the same as that of those whom they succeeded. As might be expected this led to a disgraceful condition of affairs. Public office became a matter of outright sale, not for cash, but as a reward for political service. It became so bad that high public officials of all grades looked upon the filling of places of all kinds as a personal belonging not to be questioned. If they recommended a person for office that person must be appointed, regardless of competency to fill the position, and often of moral character.

This was the condition when a little band of men headed by Carl Schurz and George William Curtis, began a fight for reform which finally ended with the adoption of the Civil Service Act, January 16, 1883, when Chester A. Arthur was president as the successor to the murdered Garfield. Under the provisions of this act it is sought to make fitness and character the sole test of qualification for office without reference to political backing, and to guarantee permanency in place notwithstanding change in administration. In other words merit, not the ukase or desire of politicians, is the deciding factor.

There is a board of civil service commissioners named by the president who classify and arrange the

positions in the various departments of the government. These commissioners appoint a chief examiner who in turn selects a staff of assistant examiners by whom all candidates for public office are examined, those standing at the head of the list as regards percentage being considered eligible to appointment at the first opportunity. Once definitely in place an appointee is safe from removal except for cause and reasons given in writing.

General Rules—The fundamental rules governing appointments to government positions are found in the civil-service act itself. Based upon these are many other regulations formulated by the commission and promulgated by the president from time to time as new contingencies arise. The present rules were approved March 20, 1903, and went into effect April 15, 1903. In a general way they require that there must be free, open examinations of applicants for positions in the public service; that appointments shall be made from those graded highest in the examinations; that appointments to the service in Washington shall be apportioned among the states and territories according to population; that there shall be a period (six months) of probation before any absolute appointment is made; that no person in the public service is for that reason obliged to contribute to any political fund or is subject to dismissal for refusing to so contribute; that no person in the public service has any right to use his official authority or influence to coerce the political action of any person. Applicants for positions shall not be questioned as to their political or religious beliefs and no discrimination shall be exercised against or in favor of any applicant or employe on account of his religion or politics. The classified civil service shall include all officers and employees in the executive civil service of the United States except laborers and persons



whose appointments are subject to confirmation by the senate.

**Examinations**—These are conducted by boards of examiners chosen from among persons in government employ and are held twice a year in all the states and territories at convenient places. In Illinois, for example, they are usually held at Cairo, Chicago and Peoria. The dates are announced through the newspapers or by other means. They can always be learned by applying to the commission or to the nearest postoffice or custom house. Those who desire to take examinations are advised to write to the commission in Washington for the "Manual of Examinations," which is sent free to all applicants. It is revised semiannually to January 1 and July 1. The January edition contains a schedule of the spring examinations and the July edition contains a schedule of the fall examinations. Full information is given as to the methods and rules governing examinations, manner of making application, qualifications required, regulations for rating examination papers, certification for and chances of appointment, and as far as possible it outlines the scope of the different subjects of general and technical examinations. These are practical in character and are designed to test the relative capacity and fitness to discharge the duties to be performed. It is necessary to obtain an average percentage of 70 to be eligible for appointment, except that applicants entitled to preference because of honorable discharge from the military or naval service for disability resulting from wounds or sickness incurred in the line of duty need obtain but 65 per cent. The period of eligibility is one year.

**Qualifications of Applicants**—No person will be examined who is not a citizen of the United States; who is not within the age limitations prescribed; who is physically disqualified for the service which he seeks:

who has been guilty of criminal, infamous, dishonest or disgraceful conduct; who has been dismissed from the public service for delinquency and misconduct or has failed to receive absolute appointment after probation; who is addicted to the habitual use of intoxicating liquors to excess, or who has made a false statement in his application. The age limitations in the more important branches of the public service are: Postoffice, 18 to 45 years; rural carriers, 17 to 55; internal revenue, 21 years and over; railway mail, 18 to 35; lighthouse, 18 to 50; life saving, 18 to 45; general departmental, 20 and over. These age limitations are subject to change by the commission. They do not apply to applicants of the preferred class. Applicants for the position of railway mail clerk must be at least 5 feet 6 inches in height, exclusive of boots or shoes, and weigh not less than 135 pounds in ordinary clothing and have no physical defects. Applicants for certain other positions have to come up to similar physical requirements.

Method of Appointment—Whenever a vacancy exists the appointing officer makes requisition upon the civil-service commission for a certification of names to fill the vacancy, specifying the kind of position vacant, the sex desired and the salary. The commission thereupon takes from the proper register of eligibles the names of three persons standing highest of the sex called for and certifies them to the appointing officer, who is required to make the selection. He may choose any one of the three names, returning the other two to the register to await further certification. The time of examination is not considered, as the highest in average percentage on the register must be certified first. If after a probationary period of six months the name of the appointee is continued on the roll of the department in which he serves the appointment is considered absolute.

**Removals**—No person can be removed from a competitive position except for such cause as will promote the efficiency of the public service and for reasons given in writing. No examination of witnesses nor any trial shall be required except in the discretion of the officer making the removal.

**Salaries**—Entrance to the department service is usually in the lowest grades, the higher grades being generally filled by promotion. The usual entrance grade is about \$900, but the applicant may be appointed at \$840, \$760 or even \$600.

Sixteen of the principal departments in the Federal service are directly under civil service. These, at Washington, give employment to 33,811 people. The same departments employ in service outside of the national capital 363,159 people, making a grand total of 396,790. In addition to this civil service in some form has been generally adopted by states and municipalities throughout the country and may be said to be now in general effect.

This condition is undeniably a vast improvement over that which prevailed previous to the passage of the act, but there is still room for betterment. This betterment must come in the form of a more rigid enforcement of the law. The provisions are fairly adequate if thoroughly lived up to, but unfortunately human nature is weak and in many instances there is a strong desire among those in authority to evade the law. This does not apply to those charged with its interpretation or enforcement, but rather to the heads of bureaus under whose control civil service employees immediately come. The commissioners, examiners, and officials of that class are without exception of irreproachable integrity. As much, unfortunately, cannot be said of many superintendents and bureau chiefs. With these politics is still an

important factor in filling offices despite the best intention and effort of the heads of the departments.

A is the superintendent, or foreman, of a bureau who feels kindly toward a certain politician. There is a vacancy in A's office which the politician desires one of his henchmen to fill. A reports to his superior that he needs help, and the latter makes a requisition on the civil service commission. The latter body sends in the names of three eligible candidates. The politician's friend is not among them. Appointments must be made in the order in which the candidates stand on the list, but these appointments are probationary. It rests with the immediate supervising officer (who in this case is A) to say whether any of the candidates are satisfactory. He may report adversely on any of the probationary candidates at his pleasure. This is done until the politician's friend is reached. The latter is put at work, serves his probationary term of six months without opposition and thus becomes a regular civil service appointee. It matters not that those who preceded him in the place were fully as competent, if not more so. They did not suit the official in charge, because his politician friend wanted the place for his man. There are restrictions to the extent to which this abuse may be worked as the person whom it is desired to thus favor must first pass the examination, but the method here explained tends to defeat the purpose of the law by sidetracking competent candidates in favor of those who have strong political backing.

Criticism, of course is never hard, no law is or ever will be so perfect that it will be beyond it. We should find satisfaction in the fact that the improvement made is vast and a far advance, and endeavor all the time to further improve the service.



## CHAPTER CIX.

1912

### THE SHERMAN ANTI-TRUST ACT.

Nature of the Law. — Why it was Adopted. — Restraint on Monopolies. — Acts Which Constitute Offenses. — Penalties Provided. — Heavy Fines and Imprisonment. — Jurisdiction of Federal Courts. — Damages for Injuries to Business or Property. — Measure of Damages. — Offenders Liable in Three Times the Amount of Actual Loss. — Summoning of Witnesses. — How Proceedings May be Brought. — Seizure and Condemnation of Contraband Property. — Duties of United States District Attorneys.

Numerous efforts have been made by interested parties, particularly railways, to secure nullifying amendments to the Sherman Anti-Trust law, and to obtain court decisions setting aside some of its provisions, but all have failed. The act remains in effect today just as it was adopted in 1890, and its legality has been repeatedly upheld by the supreme court of the United States. It had become practically impossible for independent concerns in certain lines to transact business on a profitable basis. If the patronage was attractive efforts were made to buy the plant and consolidate it with competitors. Should these efforts fail a war of extermination was waged.

Gradually all profitable lines of business were being consolidated. Independent operators found it did not pay to attempt to fight or ignore that unseen, but greatly felt, influence, "the trust." The price offered by the latter for an attractive business was not always adequate, the terms of consolidation not always equitable, but it was generally more advisable to accept than to reject them. As the monop-



lies grew in size and power there was an increase in the price of products. There was one notable exception. The Standard Oil Company actually lessened the cost of oil to the consumer. But this result, it is claimed, was obtained by a heartless, relentless war on the producers of crude oil, enabling the Standard to sell it at so low a price that all competition was stifled. Aside from this consumers asserted that the erection of monopolies was distinctly noticeable in the increased cost of living.

It seemed impossible to get at the real cause of the advance in price of commodities. The manufacturer had two excuses: There was a scarcity of raw material and the producer naturally demanded higher values; then the railways demanded absurdly high charges for the transportation service they furnished. These interests—the producers and the railways—in turn insisted that they were doing business on as small a basis of profit as possible, and between the three factors the ultimate consumer suffered.

It was this situation which the anti-trust law was intended primarily to relieve. It is only fair to state that it has not done so to the extent expected. It has made the formation and continuation of trusts difficult, if not impossible. It has simplified the transaction of business on an equitable basis, but the era of high prices still continues. The law reads:

Section 1. Every contract, combination in the form of trust or otherwise, or conspiracy in restraint of trade or commerce among the several states or with foreign nations is hereby declared to be illegal. Every person who shall make any such contract or engage in any such combination or conspiracy shall be deemed guilty of a misdemeanor, and, on conviction thereof, shall be punished by fine not exceeding \$5,000 or by imprisonment not exceeding one year,

or by both said punishments, in the discretion of the court.

Sec. 2. Every person who shall monopolize or attempt to monopolize or combine or conspire with any person or persons to monopolize any part of the trade or commerce among the several states or with foreign nations shall be deemed guilty of a misdemeanor, and on conviction thereof shall be punished by a fine not exceeding \$5,000 or by imprisonment not exceeding one year, or by both said punishments, in the discretion of the court.

Sec. 3. Every contract, combination in form of trust or otherwise, or conspiracy in restraint of trade or commerce in any territory of the United States or of the District of Columbia, or in restraint of trade or commerce between any such territory and another, or between any such territory or territories and any state or states or the District of Columbia or with foreign nations, or between the District of Columbia and any state or states or foreign nations, is hereby declared illegal. Every person who shall make any such contract or engage in any such combination or conspiracy shall be deemed guilty of a misdemeanor, and on conviction thereof shall be punished by fine not exceeding \$5,000 or by imprisonment not exceeding one year, or by both said punishments, in the discretion of the court.

Sec. 4. The several circuit courts of the United States are hereby invested with jurisdiction to prevent or restrain violations of this act; and it shall be the duty of the several district attorneys of the United States, in their respective districts, under the direction of the attorney-general, to institute proceedings in equity to prevent and restrain such violations. Such proceedings may be by way of petition setting forth the case and praying that such violation shall be enjoined or otherwise prohibited. When the par-

ties complained of shall have been duly notified of such petition the court shall proceed, as soon as may be, to the hearing and determination of the case; and pending such petition and before final decree the court may at any time make such temporary restraining order or prohibition as shall be deemed just in the premises.

Sec. 5. Whenever it shall appear to the court before which any proceeding under section 4 of this act may be pending that the ends of justice require that other parties should be brought before the court, the court may cause them to be summoned, whether they reside in the district in which the court is held or not; and subpoenas to that end may be served in any district by the marshal thereof.

Sec. 6. Any property owner under any contract or by any combination or pursuant to any conspiracy (and being the subject thereof) mentioned in section 1 of this act and being in the course of transportation from one state to another or to a foreign country shall be forfeited to the United States and may be seized and condemned by like proceedings as those provided by law for the forfeiture, seizure and condemnation of property imported into the United States contrary to law.

Sec. 7. Any person who shall be injured in his business or property by any other person or corporation by reason of anything forbidden or declared unlawful by this act may sue therefor in any circuit court of the United States in the district in which the defendant resides or is found, without respect to the amount in controversy, and shall recover threefold the damages by him sustained and the cost of suit, including a reasonable attorney's fee.

Sec. 8. That the word "person" or "persons" wherever used in this act be deemed to include cor-

porations and associations existing under or authorized by the laws of either the United States, the laws of any of the territories, the law of any state or the laws of any foreign country.

It is the imprisonment penalty taken in connection with the heavy money penalty, the infliction of both being within the discretion of the court, that makes the law a terror to offenders. Many men will run the risk of a stiff financial fine if the profits be correspondingly large, but few men like the idea of serving a term in prison no matter how great the profits may be. And when to these penalties is added the possibility of the seizure and condemnation of goods in transit it is enough to make the most reckless of men pause and go slow.

## CHAPTER CX.

1912

### CITIZENSHIP AND NATURALIZATION LAWS.

What Constitutes Citizenship.—Native Born.—Children Born of Foreign Parents.—Women as Citizens.—Right of Children to Elect as to Citizenship.—People Barred.—When Citizenship is Lost.—American Women Marrying Foreigners.—Naturalization of Foreigners Makes Citizens of the Children.—Method of Becoming Naturalized.—Requirements.—Obstacles to Naturalization.—Duty of the Courts.—Length of Residence.—Effect of Naturalization.

As a general proposition citizenship is acquired by birth or naturalization. Speaking broadly any person born within the jurisdiction of the United States, or under the United States flag, whether on land or water, is a citizen ipso facto, and yet there are exceptions. The courts have held that certain races are debarred from the rights of citizenship, and can acquire these rights neither by birth or naturalization. These prescribed peoples are the Chinese, Japanese, Hawaiians, Burmese, and Indians. Originally an exception was made in the case of the children of Chinese parentage born in this country, but this was rescinded by the act of Congress, May 6, 1882. The law now provides as follows:

All persons born or naturalized in the United States and subject to the jurisdiction thereof are citizens of the United States and of the state wherein they reside. (Fourteenth amendment to the constitution.)

All persons born in the United States and not subject to any foreign power, excluding Indians not taxed, are declared to be citizens of the United States. (Sec. 1992, U. S. Revised Statutes.)



All children heretofore born or hereafter born out of the limits and jurisdiction of the United States, whose fathers were or may be, at the time of their birth, citizens thereof, are declared to be citizens of the United States; but the rights of citizenship shall not descend to children whose fathers never resided in the United States. (Sec. 1993, U. S. Revised Statutes.)

Any woman who is now or may hereafter be married to a citizen of the United States and who might herself be lawfully naturalized shall be deemed a citizen. (Sec. 1995, U. S. Revised Statutes.)

Children born in the United States of alien parents are citizens of the United States.

When any alien who has formerly declared his intention of becoming a citizen of the United States dies before he is actually naturalized the widow and children of such alien are citizens.

Children of Chinese parents who are themselves aliens and incapable of becoming naturalized are citizens of the United States.

Children born in the United States of persons engaged in the diplomatic service of foreign governments are not citizens of the United States.

Children born of alien parents on a vessel of a foreign country while within the waters of the United States are not citizens of the United States, but of the country to which the vessel belongs.

Children born of alien parents in the United States have the right to make an election of nationality when they reach their majority.

Minors and children are citizens within the meaning of the term as used in the constitution.

Deserters from the military or naval service of the United States are liable to loss of citizenship.

Any alien being a free white person, an alien of African nativity or of African descent may become

an American citizen by complying with the naturalization laws.

Hereafter no state court or court of the United States shall admit Chinese to citizenship; and all laws in conflict with this act are repealed. (Sec. 14, act of May 6, 1882.)

The naturalization laws apply to women as well as men. An alien woman who marries a citizen, native or naturalized, becomes a naturalized citizen of the United States.

Aliens may become citizens of the United States by treaties with foreign powers, by conquest or by special acts of congress.

In an act approved March 2, 1907, it is provided that any American citizen shall have expatriated himself when he has been naturalized in any foreign state in conformity with its laws, or when he has taken an oath of allegiance to any foreign state.

When any naturalized citizen shall have resided for two years in the foreign state from which he came, or five years in any other foreign state, it shall be presumed that he has ceased to be an American citizen, and the place of his general abode shall be deemed his place of residence during said years; provided, however, that such presumption may be overcome on the presentation of satisfactory evidence to a diplomatic or consular officer of the United States, under such rules and regulations as the department of state may prescribe; and, provided also, that no American citizen shall be allowed to expatriate himself when this country is at war.

Any American woman who marries a foreigner shall take the nationality of her husband. At the termination of the marital relation she may resume her American citizenship, if abroad, by registering as an American citizen within one year with a consul of the United States, or by returning to reside in the

United States, or, if residing in the United States at the termination of the marital relation, by continuing to reside therein.

Any foreign woman who acquires American citizenship by marriage to an American citizen shall be assumed to retain the same after the termination of the marital relation if she continues to reside in the United States, unless she makes formal renunciation thereof before a court having jurisdiction to naturalize aliens, or, if she resides abroad, she may retain her citizenship by registering as such before a United States consul within one year after the termination of such marital relation.

A child born without the United States, of alien parents, shall be deemed a citizen of the United States by virtue of the naturalization of or resumption of American citizenship of the parent; provided that such naturalization or resumption takes place during the minority of such child; and, provided further, that the citizenship of such minor child shall begin at the time such minor child begins to reside permanently in the United States.

All children born outside the limits of the United States, who are citizens thereof in accordance with the provisions of section 1993 of the Revised Statutes of the United States (see above), and who continue to reside outside of the United States, shall, in order to receive the protection of the government, be required, upon reaching the age of 18 years, to record at an American consulate their intention to become residents and remain citizens of the United States and shall further be required to take the oath of allegiance to the United States upon attaining their majority.

With the exception of the peoples named any alien may become a citizen of the United States by natur-

alization subject to the following conditions, as approved by the president June 29, 1906:

Exclusive jurisdiction to naturalize aliens resident in their districts is conferred upon the United States circuit and district courts and all courts of records having a seal, a clerk and jurisdiction in actions in law or equity or both in which the amount in controversy is unlimited.

An alien may be admitted to citizenship in the following manner and not otherwise:

1. He shall declare on oath before the clerk of the proper court at least two years before his admission, and after he has reached the age of 18 years, that it is bona fide his intention to become a citizen of the United States and to renounce allegiance to any foreign state or sovereignty. Such declaration shall set forth the same facts as are registered at the time of his arrival.

2. Not less than two years nor more than seven after he has made such declaration he shall file a petition, signed by himself and verified, in which he shall state his name, place of residence, occupation, date and place of birth, place from which he emigrated, name of the vessel on which he arrived; the time when and the place and name of the court where he declared his intention of becoming a citizen; if he is married, he shall state the name of his wife, the country of her nativity and her place of residence at the time the petition is filed, and if he has children, the name, date and place of birth and place of residence of each child living. The petition shall also set forth that he is not a disbeliever in or opposed to organized government or a member of any body of persons opposed to organized government, and that he is not a polygamist or a believer in polygamy; that he intends to become a citizen of and live permanently in the United States, and every other fact



material to his naturalization and required to be proved upon the final hearing of his application. The petition shall be verified by the affidavits of at least two credible witnesses who are citizens. At the time of the filing of the petition there shall be also filed a certificate from the department of commerce and labor stating the date, place and manner of his arrival in the United States and the declaration shall be attached to and be a part of his petition.

3. He shall, before he is admitted to citizenship, declare on oath in open court that he will support the constitution of the United States, and that he absolutely renounces all allegiance to any foreign prince, potentate, state or sovereignty.

4. It shall be made apparent to the satisfaction of the court admitting any alien to citizenship that immediately preceding the date of his application he has resided continuously within the United States five years at least, and within the state or territory where such court is at the time held one year at least, and that during that time he has behaved as a man of good moral character, attached to the principles of the constitution. In addition to the oath of the applicant, the testimony of at least two witnesses, citizens of the United States as to the facts of residence, moral character and attachment to the principles of the constitution shall be required.

5. He must renounce any hereditary title or order of nobility which he may possess.

6. When any alien, who has declared his intention, dies before he is actually naturalized the widow and minor children may, by complying with the other provisions of the act, be naturalized without making any declaration of intention.

Immediately after the filing of the petition the clerk of the court shall give notice thereof by posting in a public place the name, nativity and residence of



the alien, the date and place of his arrival in the United States and the date for the final hearing of his petition and the names of the witnesses whom the applicant expects to summon in his behalf. Petitions for naturalization may be filed at any time, but final action thereon shall be had only on stated days and in no case until at least ninety days have elapsed after the filing of the petition. No person shall be naturalized within thirty days preceding a general election within the territorial jurisdiction of the court.

No person who disbelieves in or who is opposed to organized government, or who is a member of or affiliated with any organization entertaining and teaching such disbelief in or opposition to organized government, or who advocates or teaches the duty, necessity or propriety of the unlawful assaulting or killing of any officer or officers of the government of the United States, or of any other organized government, because of his or their official character or who is a polygamist, shall be naturalized.

No alien shall hereafter be naturalized or admitted as a citizen of the United States who cannot speak the English language. This requirement does not apply to those physically unable to comply with it; or to those making homestead entries upon the public lands of the United States.

Since the power to act exclusively in naturalization matters has been conferred on certain courts much greater care has been exercised as to the qualifications of the aliens thus turned into citizens than was the case when all the courts had jurisdiction. Under the old system the process of making citizens out of foreigners was frequently turned into a farce. People unable to read or write, ignorant of the principles of free government, and in many instances still loyal in spirit to the land of their birth, were massed by hundreds on the eve of an election and run through

the mill of citizenship with little or no regard for legal requirements. It was simply a matter of political influence, and the politician who could round up the largest number of men willing to become citizens stood the best show of winning at the polls.

While ostensibly in charge of the judges the details of naturalization were really disposed of by the clerks of the courts. This led to grave scandals, and congress, in 1906, was compelled to call a halt on existing practices by confining the power of naturalization exclusively to dignified courts.

## CHAPTER CXI.

1913

### AREA AND GROWTH OF THE UNITED STATES.

Wonderful Expansion of the Republic.—Present Extent of Area and Population.—Statistics of Size and Inhabitants by States and Territories.—How Expansion of Territory was Secured.—Acquirement of Area by Cession and Purchase.—The Louisiana and Alaska Purchases.—Population Per Square Mile.—Number of Inhabitants to the Acre.—Value of Farms and Farm Property.—Extent of Manufactures.—Capital Employed.—Value of Products.—Number of Employees.—Amount Paid in Wages.—Various Facts of Interest.

No country in the world has grown so fast in territory and population as the United States. The territory has mainly been acquired by peaceful means, generally purchase, and the increase in population by the fostering, beneficial policies of the government. In 1790 the republic had a gross area of 892,135 square miles, and a population of only 3,929,214. At the last census the area, exclusive of the Philippines, had grown to 3,611,337 square miles, or nearly four times that of 1790. If we include the Philippines the area is 4,441,073. The Philippines are 832,968 square miles in extent, or very nearly as large as the entire United States in the beginning. In 1910 the population of the United States proper had increased to 91,972,266. Including Alaska, Hawaii, and Porto Rico, which are all possessions of this country, the total was 93,346,543. The Philippines have 8,000,000 people, making the grand total of 101,346,543. Acquisition of territory was accomplished in the following manner:

	Sq. Miles
Area in 1790.....	892,135
Louisiana purchase, 1803.....	827,987
Florida, 1819 .....	58,666
Treaty with Spain, 1819.....	13,435
Texas, 1845 .....	389,166
Oregon, 1846 .....	286,541
Mexican cession, 1848.....	529,189
Gadsden purchase, 1853.....	29,670
Alaska, purchase, 1867.....	577,390
Hawaii, annexed, 1898.....	6,499
Porto Rico, ceded, 1898.....	3,435
Guam, ceded, 1899.....	210
Samoa, annexed, 1900.....	77
Panama canal zone, purchase, 1904.....	436
Total.....	3,611,337

Hawaii, Porto Rico, Guam and Samoa, were acquired as a direct result of the war with Spain, either by cession or by being taken possession of as a military necessity. The Philippines were also formally ceded to this country by Spain in 1898, but the United States has never assumed proprietorship, its position being that of a protectorate which is to continue until the people of the islands show ability to govern themselves. This stage, in the opinion of Presidents Taft and Wilson, has not yet been reached; but to all practical intent and purpose they are a part of this country. For a time after the war with Spain the United States was also in control in Cuba, but the people of that country are now managing their own affairs, a republican form of government having been organized in 1900.

The purchase of Alaska from Russia in 1867 by William H. Seward, then secretary of state, caused considerable unfavorable comment at the time. It

has since developed that it was a very profitable acquisition at the price of \$7,200,000 which this country paid. The value of the gold, salmon, and similar products, has been enormous and it is claimed that the resources of the land have hardly been touched. In one year the output of gold was \$20,000,000, and that of salmon \$30,000,000.

Texas is the largest state in the Union as regards geographical extent, having an area of 265,896 square miles. The original area of the territory was 389,166 square miles, but a considerable portion was set off into other principalities at the time of its admission to the Union in 1845. California is second with 158,297. New York has the largest population—9,113,613. The District of Columbia is the most densely populated, the number of residents being over 5,500 to the square mile. The standing of the various states in respect to population is as follows:—

Alabama .....	2,138,093
Arizona .....	204,354
Arkansas .....	1,574,449
California .....	2,377,549
Colorado .....	799,024
Connecticut .....	1,114,756
Delaware .....	202,322
Florida .....	752,619
Georgia .....	2,609,121
Idaho .....	325,594
Illinois .....	5,638,591
Indiana .....	2,700,876
Iowa .....	2,224,771
Kansas .....	1,690,949
Kentucky .....	2,289,905
Louisiana .....	1,656,388
Maine .....	742,371
Maryland .....	1,295,346



Massachusetts .....	3,366,416
Michigan .....	2,810,173
Minnesota .....	2,075,708
Mississippi .....	1,797,114
Missouri .....	3,293,335
Montana .....	376,053
Nebraska .....	1,192,214
Nevada .....	81,875
New Hampshire .....	430,572
New Jersey .....	2,537,167
New Mexico .....	327,301
New York .....	9,113,614
North Carolina .....	2,206,287
North Dakota .....	577,056
Ohio .....	4,767,121
Oklahoma .....	1,657,155
Oregon .....	672,765
Pennsylvania .....	7,665,111
Rhode Island .....	542,610
South Carolina .....	1,515,400
South Dakota .....	583,888
Tennessee .....	2,184,789
Texas .....	3,896,542
Utah .....	373,351
Vermont .....	355,956
Virginia .....	2,061,612
Washington .....	1,141,990
West Virginia .....	1,221,119
Wisconsin .....	2,333,860
Wyoming .....	145,965

As regards size of area the states rank as follows:

State	Rank	Sq. Miles
Texas .....	1	265,896
California .....	2	158,297
Montana .....	3	146,997

New Mexico .....	4	122,634
Arizona .....	5	113,956
Nevada .....	6	110,690
Colorado .....	7	103,948
Wyoming .....	8	97,914
Oregon .....	9	96,699
Utah .....	10	84,990
Minnesota .....	11	84,682
Idaho .....	12	83,888
Kansas .....	13	82,158
South Dakota .....	14	77,615
Nebraska .....	15	77,520
North Dakota .....	16	70,837
Oklahoma .....	17	70,057
Missouri .....	18	69,420
Washington .....	19	69,127
Georgia .....	20	59,265
Florida .....	21	58,666
Michigan .....	22	57,980
Illinois .....	23	56,665
Iowa .....	24	56,147
Wisconsin .....	25	56,066
Arkansas .....	26	53,335
North Carolina .....	27	52,426
Alabama .....	28	51,998
New York .....	29	49,204
Louisiana .....	30	48,506
Mississippi .....	31	46,865
Pennsylvania .....	32	45,126
Virginia .....	33	42,627
Tennessee .....	34	42,022
Ohio .....	35	41,040
Kentucky .....	36	40,598
Indiana .....	37	36,354
Maine .....	38	33,040
South Carolina .....	39	30,989
West Virginia .....	40	24,170

Maryland .....	41	12,327
Vermont .....	42	9,564
New Hampshire .....	43	9,341
Massachusetts .....	44	8,266
New Jersey .....	45	8,224
Connecticut .....	46	4,965
Delaware .....	47	2,370
Rhode Island .....	48	1,248
District of Columbia.....	49	70

Density of population is shown in the following tables giving the number of inhabitants per square mile, and the number of acres per inhabitant. In the latter table the computation is made by geographical divisions.

Per Square Mile.		
State	1910	1880
Alabama .....	41.7	24.6
Arizona .....	1.8	0.4
Arkansas .....	30.0	15.3
California .....	15.3	5.5
Colorado .....	7.7	1.9
Connecticut .....	231.3	129.2
Delaware .....	103.0	74.6
District of Columbia.....	5517.8	3062.5
Florida .....	13.7	4.9
Georgia .....	44.4	26.3
Idaho .....	3.9	0.4
Illinois .....	100.6	55.0
Indiana .....	74.9	55.1
Iowa .....	40.0	29.2
Kansas .....	20.7	12.2
Kentucky .....	57.0	41.0
Louisiana .....	36.5	20.7
Maine .....	24.8	21.7
Maryland .....	130.0	94.0

## GROWTH OF THE UNITED STATES

1823

Massachusetts .....	418.8	221.8
Michigan .....	48.9	28.5
Minnesota .....	25.7	9.7
Mississippi .....	38.8	24.4
Missouri .....	47.9	31.6
Montana .....	2.6	0.3
Nebraska .....	15.5	5.9
Nevada .....	0.7	0.6
New Hampshire .....	47.7	38.4
New Jersey .....	337.7	150.5
New Mexico .....	2.7	1.0
New York .....	191.2	106.7
North Carolina .....	45.3	28.7
North Dakota .....	8.2	—
Ohio .....	117.0	78.5
Oklahoma .....	23.9	—
Oregon .....	7.0	1.8
Pennsylvania .....	171.0	95.5
Rhode Island .....	508.5	259.2
South Carolina .....	49.7	32.6
South Dakota .....	7.6	—
Tennessee .....	52.4	37.0
Texas .....	14.8	6.1
Utah .....	4.5	1.8
Vermont .....	39.0	36.4
Virginia .....	51.2	37.6
Washington .....	17.1	1.1
West Virginia .....	50.8	25.7
Wisconsin .....	42.2	23.8
Wyoming .....	1.5	0.2
<hr/>		<hr/>
United States .....	30.9	16.9

## Acres Per Inhabitant.

New England .....	6.1
Maine .....	25.8
New Hampshire .....	13.4

Vermont .....	16.4
Massachusetts .....	1.5
Rhode Island .....	1.3
Connecticut .....	2.8
Middle Atlantic .....	3.3
New York .....	3.3
New Jersey .....	1.9
Pennsylvania .....	3.7
East North Central.....	8.6
Ohio .....	5.5
Indiana .....	8.5
Illinois .....	6.4
Michigan .....	13.1
Wisconsin .....	15.2
West North Central.....	28.1
Minnesota .....	24.9
Iowa .....	16.0
Missouri .....	13.4
North Dakota .....	77.8
South Dakota .....	84.3
Nebraska .....	41.2
Kansas .....	31.0
Delaware .....	6.2
Maryland .....	4.9
District of Columbia.....	0.1
Virginia .....	12.5
West Virginia .....	12.6
South Atlantic .....	14.1
North Carolina .....	14.1
South Carolina .....	12.9
Georgia .....	14.4
Florida .....	46.7



East South Central.....	13.7
Kentucky .....	11.2
Tennessee .....	12.2
Alabama .....	15.3
Mississippi .....	16.5
West South Central.....	31.3
Arkansas .....	21.4
Louisiana .....	17.5
Oklahoma .....	26.8
Texas .....	43.1
Mountain .....	208.8
Montana .....	248.8
Idaho .....	163.8
Wyoming .....	427.9
Colorado .....	84.0
New Mexico .....	239.5
Arizona .....	356.4
Utah .....	140.9
Nevada .....	858.4
Washington .....	37.5
Oregon .....	91.0
California .....	41.9

Despite the cry that people are deserting the farms and flocking to the cities there was a wonderful increase in the farm population in the ten years from 1900 to 1910. The amount of improved lands occupied as farms shows a perceptible gain, the value of farm property doubled, and there was a very decided increase in the value of the land. These facts, as obtained from the United States census report, are:

	1910	1900	Increase	
			Amount	Pr. ct
Rural population.....	40,848,883	44,384,930	4,965,953	11.3
Number of all farms.....	6,361,502	5,737,372	624,130	10.9
Land in farms, acres.....	878,798,325	838,591,774	40,206,551	4.8
Improved land in farms, acres	478,461,750	414,498,487	63,953,263	15.4
Average acreage per farm....	138.1	146.2	-8.1	-5.6
Average improved acreage per farm.....	75.2	72.2	3.0	4.1
Per cent of total land area in farms.....	46.2	44.1	.....	.....
Per cent of land in farms improved.....	54.4	49.4	.....	.....
Per cent of total land area improved.....	25.1	21.8	.....	.....
Value of farm property, total.	\$40,991,449,090	\$20,439,901,164	\$20,551,547,926	100.5
Land.....	28,475,674,169	13,058,007,995	15,417,666,174	118.1
Buildings.....	6,325,451,528	5,556,639,496	2,768,812,032	77.8
Implements and machinery	1,265,149,783	749,775,970	515,373,813	68.7
Domestic animals, poultry and bees.....	4,925,173,610	3,075,477,703	1,849,695,907	60.1
Average value of all property per farm.....	6,444	3,563	2,881	80.9
Average value of all property per acre of land in farms..	46.64	24.87	22.27	91.4
Average value of land per acre	32.40	15.57	16.83	108.1

The average number of acres per farm, and the average value of equipment and land, is reported as follows:

State	Acres	Equip-ment	Land	Per Acre
Alabama .....	78.9	\$ 1,408	\$ 825	\$ 10.46
Arizona .....	135.1	8,142	4,590	33.97
Arkansas .....	81.1	1,864	1,146	14.13
California .....	316.7	18,308	14,395	47.16
Colorado .....	293.1	10,645	7,858	26.81
Connecticut .....	81.5	5,944	2,693	33.03
Delaware .....	95.9	5,830	3,224	33.63
District Columbia	27.9	39,062	33,152	1,186.53
Florida .....	105.0	2,863	1,874	17.84
Georgia .....	92.6	1,995	1,273	13.74
Idaho .....	171.5	9,911	7,140	41.63
Illinois .....	129.1	15,505	12,270	95.02
Indiana .....	98.8	8,396	6,164	62.36
Iowa .....	156.3	17,259	12,910	82.58
Kansas .....	244.0	11,467	8,648	35.45
Kentucky .....	85.6	2,986	1,869	21.83
Louisiana .....	86.6	2,499	1,558	17.99
Maine .....	104.9	3,320	1,441	13.73

Maryland .....	103.4	5,849	3,341	32.32
Massachusetts ..	77.9	6,135	2,859	36.69
Michigan .....	91.5	5,261	2,973	32.48
Minnesota .....	177.3	9,456	6,527	36.82
Mississippi .....	67.6	1,554	926	13.69
Missouri .....	124.8	7,405	5,216	41.80
Montana .....	516.7	13,269	8,651	16.74
Nebraska .....	297.8	16,038	12,450	41.80
Nevada .....	1,009.6	22,462	13,119	12.99
New Hampshire..	120.1	3,833	1,646	13.70
New Jersey .....	76.9	7,600	3,707	48.23
New Mexico ....	315.9	4,469	2,770	8.77
New York .....	102.2	6,732	3,283	32.13
North Carolina..	88.4	2,119	1,352	15.29
North Dakota...	382.3	13,109	9,822	25.05
Ohio .....	88.6	6,994	4,727	54.34
Oklahoma .....	151.7	4,828	3,413	22.49
Oregon .....	256.8	11,609	9,048	35.23
Pennsylvania ...	84.8	5,715	2,875	33.92
Rhode Island....	83.8	6,234	2,836	33.86
South Carolina...	76.6	2,223	1,523	19.89
South Dakota....	335.1	15,018	11,625	34.69
Tennessee .....	81.5	2,490	1,510	18.53
Texas .....	269.1	5,311	3,909	14.53
Utah .....	156.7	6,957	4,590	29.28
Vermont .....	142.6	4,445	1,785	12.52
Virginia .....	105.9	3,397	2,145	20.24
Washington .....	208.4	11,346	9,208	44.18
West Virginia...	103.7	3,255	2,142	20.65
Wisconsin .....	118.9	7,978	5,148	43.30
Wyoming .....	777.6	15,217	8,092	10.41

The United States holds first rank as a producer of corn, wheat, oats, potatoes, rice and hops. Of the world's crop of over 3,500,000,000 bushels of corn the yield of this country was 2,700,000,000 bushels, or about 74.8 per cent. Of wheat the total product of

the world in 1912 was, in round figures, 3,400,000,000 bushels, this country growing and marketing at home and abroad, 700,000,000 bushels, or 19.8 per cent of the whole. The total yield of oats was 4,000,000,000 bushels, the United States producing nearly 1,000,000,000 bushels, or over 24 per cent. Of potatoes we grew 59 per cent of world's crop of 20,000,000 bushels. In rice and tobacco we were also leaders. The world's rice crop, according to the last available statistics, was 2,500,000,000 pounds, this country producing nearly 8,000,000 pounds, equivalent to 31 per cent. Of tobacco the yield was 185,000,000 pounds. Our proportion was 48,000,000 pounds, about 25 per cent. In barley and flaxseed we were a close second.

Gratifying as are the farm statistics, tending to show that there is no real excuse for the hue and cry that "farming does not pay," official reports from the manufacturing interests are still better. In the ten years from 1900 to 1910 the gain in all branches was phenomenally large. The number of establishments, wages earned, and value of products all show a tremendous increase. Whatever we may think of a protective tariff it must be admitted that our manufacturing industries have shown a wonderful improvement. Advocates of the tariff, of course, will claim that this is a direct result of the protection thus afforded. Those opposed to the principle of protection will just as stoutly maintain that it is simply a natural growth, due to the enlarged demands of our constantly growing population and the general excellence of the products. There is undoubtedly some truth in both views.

According to value of products the various industries ranked as follows, every industry showing a perceptible increase in volume of value, the greatest being in the manufacture of automobiles:

Industry	Rank	Product	Per cent Increase
Slaughtering, packing ...	1	\$1,370,568,000	48.6
Foundries, machine shops	2	1,228,475,000	39.5
Lumber and timber.....	3	1,156,129,000	30.7
Iron and steel.....	4	985,723,000	46.3
Flour and grist mills.....	5	883,584,000	23.9
Printing and publishing..	6	737,876,000	33.6
Cotton goods .....	7	628,392,000	39.5
Clothing, men's .....	8	568,077,000	39.7
Boots and shoes.....	9	512,798,000	43.4
Wool, worsteds, felt.....	10	435,979,000	36.5
Tobacco manufactures ..	11	416,695,000	25.8
Cars, etc., by steam roads	12	405,601,000	30.9
Bread, bakery goods.....	13	396,865,000	47.2
Blast furnaces .....	14	391,429,000	68.8
Clothing, women's .....	15	384,752,000	55.4
Copper, smelting, refining	16	378,806,000	57.3
Malt liquors .....	17	374,730,000	25.6
Leather, tanning, etc. ...	18	327,874,000	29.8
Cane sugar and molasses.	19	279,249,000	0.7
Butter, cheese, cond. milk.	20	274,558,000	63.2
Paper and wood pulp.....	21	267,657,000	41.8
Automobiles .....	22	249,202,000	729.7
Furniture & refrigerators.	23	239,887,000	34.9
Petroleum, refining .....	24	236,998,000	35.4
Electrical machinery ....	25	221,309,000	57.2
Liquors, distilled .....	26	204,699,000	55.9
Hosiery and knit goods..	27	200,144,000	46.0
Copper, tin, sheet iron....	28	199,824,000	66.6
Silk, silk goods.....	29	196,912,000	47.7
Lead, smelting, refining..	30	167,406,000	9.9
Gas, illuminating, heating	31	166,814,000	33.3
Carriages, wagons .....	32	159,893,000	2.6
Canning, preserving .....	33	157,101,000	20.4
Brass, bronze, products...	34	149,989,000	46.5
Oil, cotton seed, cake....	35	147,868,000	53.4



Agricultural implements..	36	146,329,000	30.6
Medicines, drugs, etc. ....	37	141,942,000	20.9
Confectionery .....	38	134,796,000	54.8
Paint and varnish.....	39	124,889,000	37.5
Cars for steam roads.....	40	123,730,000	11.3
Chemicals .....	41	117,689,000	56.5
Marble and stone work...	42	113,093,000	33.3
Leather goods .....	43	104,719,000	27.5

The average increase was over 39 per cent, taking into consideration all branches of production classed as manufacturers. In the minor industries not here enumerated, the increase was over 41 per cent.

As regards the number of employees the lumber and timber industry ranks first. The manufactured product was worth \$1,156,129,000, in the preparation of which 695,019 wage workers were kept busy. The total number employed in all lines of manufacture is 6,615,046 exclusive of clerks, superintendents, managers, etc.

Following is a table (taken from the census report) giving the essential facts of increase:

	1910	1900
Establishments ...	268,491	207,562
Capital .....	\$18,428,170,000	\$8,978,825,200
Salaried persons ..	790,267	364,202
Salaries .....	\$938,575,000	\$380,889,091
Wage earners ....	6,615,046	4,715,023
Wages .....	\$3,427,038,000	\$2,009,735,799
General expenses..	\$18,453,080,000	\$905,600,225
Cost of materials..	\$12,141,791,000	\$6,577,614,074
Value of products..	\$20,672,052,000	\$11,411,121,122

During the ten years between 1900 and 1910 there was an increase of 29.4 per cent in the number of

manufacturing establishments; an increase of 105.3 per cent in capital; 40.4 per cent in number of wage earners; 70.6 per cent in wages; and 81.2 in value of products. Increase in the value added to the manufacturing industry amounted to 76.6 per cent. Of the total value of \$20,672,052,000 of products merchandise to the amount of \$1,744, 984,720 was exported, leaving goods to the amount of \$18,927,067,280 to be consumed at home.

## CHAPTER CXII.

1913

### WOMAN SUFFRAGE.

Adoption of Women Suffrage in Illinois.—Campaign Conducted in Orderly Manner.—Officers for Whom Women may Vote.—Control of Taxing, License and Money Expending Officials.—Ten States now Recognize the Equality of Women as Voters.—Seventeen Others Give Them Suffrage in a Restricted Way.—Processions in Honor of the Victory Held in Chicago and Other Cities.—Women Appointed as Police Officers.

Illinois was the last of the states to date to give women the right to vote. The legislature toward the end of its session in 1913 (June 11) adopted an act to this effect, and it was approved by Governor Dunne. Previous to this women could vote only for school officers. Now they can cast a ballot, for all candidates except those the election of whom is otherwise provided for. According to the text of the bill women in Illinois may now vote for the following:

Presidential electors, member of the state board of equalization, clerk of the appellate court, county collector, county surveyor, members of board of assessors, members of board of review, sanitary district trustees, and for all officers of cities, villages and towns (except police magistrate), and upon all questions or propositions submitted to a vote of the electors of such municipalities or other political divisions of the state.

All women qualified as voters may also vote for the following township officers: Supervisors, town clerk, assessors, collector, and highway commissioner and may also participate and vote in all annual and

special town meetings in the town in which such election district shall be.

Separate ballot boxes and ballots shall be provided for women, which ballots shall contain the names of the candidates for such offices which are to be voted for and candidates for the special questions submitted as aforesaid, and the ballots cast by women shall be canvassed with the other ballots cast for such officers and on such questions. At any such election where registration is required women shall register in the same manner as male voters.

This was the result of a long, energetic campaign by the women. Unlike their English sisters they did not resort to militant methods. Everything was conducted in an orderly manner. The women conducted their campaign on the line of moral suasion. They did not gain all they expected, as there are some offices election to which is expressly provided for by the constitution. These include:

United States senate. Members of congress. Members of legislature. Governor. Lieutenant governor. Secretary of state. State auditor of public accounts. State treasurer. Superintendent of public instruction. Attorney general. Judges of supreme, appellate, circuit, superior, probate and criminal courts and clerks of these courts. Justices of the peace and police magistrates. Constables State's attorney. County commissioners. County judge. County clerk. Sheriff. County treasurer. Coroner. Recorder of deeds.

The women feel, however, that they have won an important victory. They have the right to vote for the taxing officials and for the city, town, and village officers. This is all they asked. For years women have maintained that it was unjust to tax their property without giving them an opportunity to express a preference in the selection of the taxing of-

ficers. They now also may vote for aldermen and village trustees who control the issuance of licenses, and the expenditure of public moneys raised by taxation. It is reasonable to suppose that there will be a reform in this direction as a better class of men will undoubtedly be elected to office.

Ten states are now on record as giving women a practically unrestricted right to vote. These are:

Arizona, California, Colorado, Idaho, Illinois, Kansas, Oregon, Utah, Washington and Wyoming. Restricted woman suffrage also obtains in Indiana, Iowa, Kentucky, Louisiana, Minnesota, Massachusetts, Montana, Nebraska, Nevada, New Hampshire, New Jersey, North Dakota, Oklahoma, South Dakota, Texas, Vermont and Wisconsin. All this has been won by peaceful methods, wherein lies a forceful lesson for the English suffragettes who are trying to win by force.

Following the adoption of the bill the suffragettes held a large procession in Chicago and other cities. The men also began to recognize them as a power to be reckoned with. Mayor Harrison, of Chicago, appointed ten women members of the police force.

Governor Dunne is said to have been largely influenced in the signing of the act by his wife who is an ardent suffragette.



## CHAPTER CXIII.

1913

### MORE TROUBLE IN MEXICO.

Shooting of Inspector Dixon.—Attitude of the Mexican Authorities.—Demands Made by This Government.—Part Taken by Ambassador Wilson.—Uprising in Venezuela.—Return of Castro.—Its Significance.—Forced Resignation of Ambassador Wilson.—Ordered to Remain in This Country.—Appointment of Mr. Lind as Agent of President Wilson.—His Mission to Mexico.—Statement by Secretary Bryan.—Policy of President Wilson.—How Lind Made the Trip to Mexico.

Fresh impetus was added to the trouble with Mexico by the shooting on July 26, 1913, of Charles B. Dixon, United States immigration inspector, at Juarez. Dixon who had gone to the Mexican city from San Diego, Calif., on official business to investigate a white slavery case, was arrested by a Mexican soldier and a negro named Arthur Walker, the latter being implicated in the charges which Dixon was investigating. Dixon, who was seriously wounded, made the following statement:

"I told the soldiers I would go with them to the commandant's office, but instead of taking me in that direction they started with me in the direction of the outskirts of the town. As I had on a suit of khaki, I thought that perhaps they had taken me for a United States soldier acting as a spy. I ran and they shot me after I got about half a block away from them."

The wounded man was taken to a military hospital in Juarez and was denied the privilege of informing his government of what had occurred, the Mexicans claiming that he was merely a victim of "ley de

fuego," the native fugitive law, under which all prisoners attempting to escape may be shot. It happens that Reginald H. Del Valle was in Mexico at the time as an agent of the United States government. He heard of the shooting of Dixon and at once communicated the facts to Washington. Under instructions from the secretary of state Thomas D. Edwards, United States consul at Juarez; F. W. Berkshire and Clarence G. Gately, immigration inspectors, and Dr. J. H. Tappan, American surgeon, endeavored to secure the removal of Dixon to a hospital at El Paso, but were unsuccessful. Nobody, except Dr. Tappan, was allowed to see him. Berkshire and Gately were arrested and detained at the military barracks, but later released.

Ambassador Wilson and Agent Del Valle at once started on a race for Washington. Wilson was anxious to present the act of the Mexicans in the most favorable light, and Del Valle to state the facts without political bias. Del Valle got there first, and laid his statement before Secretary of State Bryan. The latter, on hearing it, said:

"It looks like a serious case. We will do whatever is necessary."

This took form the following day in a peremptory demand by Mr. Bryan for:

The immediate arrest and imprisonment of all concerned in the shooting of Mr. Dixon.

The immediate trial of the offenders, such trial to begin at once if possible.

Action which will prevent the spiriting away of witnesses to the shooting, who are known to Consul Edwards.

Permission for the transfer of Mr. Dixon to a hospital in El Paso.

The state department also demanded the immediate release of Charles Bissell and Bernard McDonald,

mining managers, imprisoned by federal soldiers at Chihuahua, and said to be threatened with execution.

To this the Mexican government complied by arresting the men who shot Dixon and by consenting to the removal of the wounded man to El Paso. Beyond this it would not go. Whatever was lacking to convince President Wilson that the time for intervention in Mexico had arrived the shooting of Dixon supplied. Ambassador Henry Lane Wilson, who is said to be a warm friend of President Huerta, urged provisional recognition of the Huerta government on the following basis:

Assent by President Huerta to the discharge of various obligations, including the payment of indemnity for the assassination of American citizens and the destruction of American property.

Declaration by Huerta that he will call a constitutional election and maintain control of the territory up to the twenty-sixth parallel by the time the election takes place.

This did not meet with the approval of President Wilson who said emphatically that he would never recognize a government founded on murder, but was willing to act as a mediator. To this both President Huerta and General Carranza, leader of the revolutionists, dissented. It now seems that the only course left open to this country is an absolute back-down and surrender of all its contentions, or armed intervention. This latter is the most probable, unless Huerta recedes from his present attitude. Several powerful foreign nations, Great Britain, France, Italy, Spain and Belgium, have united in protest against the course of this country, intimating broadly that unless the United States at once took energetic measures to suppress the murderous disorder they would be compelled to interfere.

Ambassador Wilson made an impassioned speech

to the senate committee on foreign relations, defending Huerta and urging his recognition. It made a deep impression but the committee decided that settlement of the matter should be left in the hands of President Wilson. The latter is hopeful that armed intervention will not be necessary, that the Mexicans will get together and settle their troubles amicably, but of this there does not seem to be much hope. General Carranza, head of the revolutionists, says:

"We will continue the war until Huerta and his partisans are exterminated."

Following closely upon the Mexican revolution came an uprising in Venezuela, headed by Cipriano Castro, the former president. Castro had been in exile five years, but quietly returned with funds and backing sufficient to start a serious rebellion. Castro was deposed at the united request of the United States, Great Britain, Germany and France, and his return is a defiance to all these nations. The success of Castro would bring about a very serious condition of affairs in Central America, especially at this time when we are on the eve of opening the Panama canal. It is not difficult to believe that some foreign power, hostile to the exclusive control of the canal by this country is backing Castro. Revolutions spread fast in Latin-American countries, and it would not take much to produce a condition of affairs that might be seized upon as a pretext for interference.

The proposed establishment of a protectorate over Nicaragua is a notice to the world that this government is tired of revolutions in Central America and plans to assume the responsibility of maintaining order. It will be but a step for the United States to declare that it regards it as its duty to act as policeman of all the countries bordering upon the Caribbean.

The fall of the Gomez government in Venezuela

would be regretted here. Compared with the spoliation of the country under Castro, Gomez has administered the affairs of his country exceedingly well. He has given protection to American and foreign interests and has spared no effort to manifest cordiality toward them.

Castro's success in reentering Venezuela assures him added prestige in his own country. Since he left Venezuela the great powers of the world have been assiduously keeping track of his movements and taking measures to prevent his return home. A few weeks ago, in spite of the surveillance maintained, Castro disappeared from Teneriffe, Canary islands. That Castro will regain power is looked upon as a probability. If he does, the different nations will have to look out as he will undoubtedly seek to make it uncomfortable for the powers which were instrumental in ousting him five years ago. In the meantime the European nations interested are looking upon the United States to preserve the peace.

Evidence of a decided incompatibility of views regarding the Mexican situation as held by Ambassador Wilson and President Wilson was given August 4th, 1913, when the former resigned his office by request, and John Lind, a former governor of Minnesota, was named to act. Mr. Lind was not appointed ambassador to Mexico, but as the personal representative of President Wilson as adviser to the American embassy in the negotiations for peace. At the same time, Mr. Lind having departed at once on his errand, former Ambassador Wilson was officially requested to remain away from Mexico. This was made necessary by the part Mr. Wilson had taken in the interest of Huerta and the fear that his presence there at the same time as Mr. Lind might tend to embarrass the latter. In explaining this, Secretary of State Bryan said:



"It is very likely that Huerta and his supporters appreciate the efforts made by Mr. Wilson to secure recognition of the Huerta government by the United States, and his return to Mexico would undoubtedly be made the occasion of a demonstration, which would be untimely and out of place. This will be avoided by having him remain in this country so long as he is still connected with the diplomatic service."

As Mr. Wilson's resignation does not take effect until October 14, 1913, he remains until that time, nominally at least, the representative of this country. As an agent of the Department of State the United States authorities have control of his movements. In announcing the resignation Mr. Bryan did so in the following language.

"Ambassador Wilson's resignation has been accepted to take effect October 14th. The part which he felt it his duty to take in the earlier stages of the revolution in Mexico would make it difficult for him to represent the views of the present administration, in view of the situation which now exists.

"Ex-Governor John Lind of Minnesota has been sent to Mexico as the personal representative of the president to act as adviser to the embassy in the present situation. When the president is ready to communicate with the Mexican authorities as to the restoration of peace, he will make public his views."

Briefly stated, the views of President Wilson may be given as follows:

Refusal to recognize the Huerta government.

Rejection of the plan of military intervention.

Postponement of the adoption of the suggestion to place the revolutionists and the Huerta government upon the same footing with respect to getting munitions of war from the United States.

Use of the good offices of the United States through

Mr. Lind to secure Huerta's retirement and have him agree to a general election.

Acquiescence by General Carranza, General Pesquiera, and others in the program of an impartial election.

Agreement by all factions to abide by the result of the election.

Mr. Bryan's statement concerning the ambassador's retirement shows the administration does not propose to approve what the ambassador did in connection with the accession of Huerta. The statement significantly refers to the part the ambassador "felt it his duty to take" in the earlier stages of the latest Mexican revolution and says this would "make it difficult" for him to represent the views of the present administration.

An inkling of what was coming was given on the afternoon of August 4th when Ambassador Wilson called at the White House and got word that the president was too busy to see him. This was taken as an indication that he was *persona non grata*. Later he called on Secretary Bryan and the latter at once asked for his resignation.

In proceeding to Mexico, Mr. Lind went to Galveston, Texas, by rail, and from this latter city sailed for Vera Cruz, Mexico, on the United States battleship New Hampshire, the idea being to impress the Mexicans with the importance of his mission. In the selection of Mr. Lind and the arrangement of the details governing his conduct, President Wilson and Secretary Bryan have shown clever diplomacy. Mr. Lind is not a representative of this government. He is merely the personal agent of the president. Hence he will not have to present any formal credentials to Huerta and the embarrassing matter of recognizing the Huerta regime will thus be avoided. As a private citizen he can talk with all the factions

in Mexico without giving grounds for official objection. At the same time the placing of a war vessel at his disposal for the journey and the attentions and courtesies which the members of the American embassy have been instructed to show him will convince the Mexicans that Mr. Lind "speaks by the card."

One objection has been made to the selection of Mr. Lind. He does not speak Spanish, the language of Mexico, or even diplomatic French; he is a Northern man out of touch with Latin-American people, and that, consequently, it will be difficult, if not impossible for him to arrive at the same clear understanding of the situation that would be commanded by a man speaking the language of the country and acquainted with the political objects and aims of the Mexicans.

## CHAPTER CXIV.

1913

### NEW FINANCIAL POLICY OF GOVERNMENT.

Government to Advance Money for Crop-Moving Purposes.— Secretary McAdoo's Plan.— Commotion Among Eastern Bankers.— Reasons for its Adoption.— Death Blow to Money Monopoly.—How it was Maintained.—Terms of Loans Under new Plan.—Commercial Paper Accepted.— Cities Where Deposits Will be Made.—Rate of Interest.—Return of Government Funds.—Control of the Loans.— Management by Federal Board.—Bankers to Act as Advisors.

At the close of July (the 31st.), 1913, the country was startled by announcement from Secretary of the Treasury McAdoo to the effect that the government was preparing to loan money for crop-moving purposes through the small banks in the sections of the country where it was most needed. This was such a radical change from the prevailing practice that it caused a commotion in banking circles in the East, which had become accustomed to having a monopoly in the handling of government funds.

For years it has been the practice of the government to deposit from time to time large sums in the Eastern banks, principally those of New York city. These funds the banks handled as they pleased on their own terms. They could make, or decline to make, loans, and demand any rate of interest they saw fit. Money needed for crop-moving could only be obtained by a roundabout course, the dealers in Minnesota, for instance, obtaining it from their local banks after these had borrowed from Chicago, the latter from New York, and so on. It was within the powers of the Eastern bankers to make money

"tight" or "easy" as they desired, and in this way to influence the price of commodities.

Now all this to be changed. Hitherto the Federal government has not recognized commercial paper, or state or municipal bonds as security for loans. Nothing but government bonds were acceptable and these in such quantities that only the strongest banks could handle them. Secretary McAdoo's plan is to deposit from \$25,000,000 to \$50,000,000 in Southern and Western banks in such quantities as may be necessary for legitimate purposes, charge  $2\frac{1}{2}$  per cent interest, and accept commercial paper, state and municipal bonds as security, as well as government bonds.

Government bonds will be accepted at par, other bonds at 75 per cent, and commercial paper at 65 per cent of the face value. The commercial paper must be approved by the clearing house of the city from which it comes. Secretary McAdoo's action in this connection is in line with the administration's banking and currency policy, which recognizes approved commercial paper as valid security for any financial transaction by the government. Making the clearing house in the city of issuance the judge of the worth of the paper is considered as giving indubitable proof of its legitimacy and worth.

Eastern bankers professed to be greatly surprised and annoyed by Secretary McAdoo's policy in this respect. Many of them said emphatically that Mr. McAdoo had no authority in law to accept commercial paper as security for such deposits and when told that he was relying evidently on section 5153 of the revised statutes they said emphatically that if the wording of that law permitted the secretary to act as he is doing then an unusual precedent was established. While the bankers were not inclined to



discuss the possible results of such a precedent, they saw no necessity for it at this time.

Some sixty cities have been selected as the places at which deposits of government funds on the terms named will be made. Representative bankers from these cities have been invited to confer with the Treasury Department concerning the distribution of the \$50,000,000 which it is proposed to deposit. Secretary McAdoo wants expert advice as to the needs, specific and relative, of the farming districts directly interested, especially as to the amount of money actually needed for the moving of crops. The cities where deposits will be made are:

Birmingham, Mobile, Montgomery, Ala.

Little Rock, Ark.

Los Angeles, San Francisco, Cal.

Denver, Colo.

Tampa, Jacksonville, Fla.

Atlanta, Savannah, Ga.

Chicago, Ill.

Evansville, Fort Wayne, Indianapolis, Ind.

Des Moines, Sioux City, Iowa.

Kansas City, Wichita, Kas.

Louisville, Ky.

New Orleans, La.

Baltimore, Md.

Vicksburg, Meriden, Miss.

St. Louis, Kansas City, Mo.

Minneapolis, St. Paul, Minn.

Detroit, Mich.

Charlotte, Wilmington, Raleigh, N. C.

Omaha, Neb.

Oklahoma City, Muskogee, Okla.

Portland, Ore.

Cincinnati, Cleveland, Columbus, Ohio.

Charleston, Columbia, Spartanburg, Greenville,  
South Carolina.

Chattanooga, Knoxville, Memphis, Nashville, Tennessee.

Dallas, Galveston, Houston, San Antonio, Texas.

Richmond, Norfolk, Roanoke, Lynchburg, Va.

Wheeling, W. Va.

Seattle, Spokane, Wash.

Milwaukee, Wis.

The entire \$50,000,000 is to be deposited at once if the demand warrants it. If not it will be doled out in such quantities and at such times as the bankers interested think will be to the best interests of the sections affected. In deciding upon this care will be exercised to prevent any undue inflation of currency, as it is considered that a surplus of money would tend to unduly cheapen prices and thus work injury to the very people it is desired to assist. Terms are also to be arranged for the return to the United States treasury without delay of sums the need for which has passed.

As finally agreed upon the administration's banking and currency bill, upon which Secretary McAdoo's action is based, provides for a Federal reserve board under government control, which will direct the banking and currency system, assisted by an advisory board of bankers.

This is the first time this government has ever attempted the discounting of commercial paper and the experiment, for such it is, will be watched with interest. Advocates of the measure argue that the best and soundest banks in the country are doing this profitably right along, and the only difference is that the government will be doing it on a larger scale. Making the clearing houses in the various cities approve of the paper before it is discounted will add a feature of security the banks do not ordinarily possess.

In the banking and currency bill which he favors

President Wilson has announced that it is his main purpose to secure a reform in our banking methods to the extent of making sure that the reserve funds of the government are used to aid legitimate business, and not to assist speculators. This latter, it is claimed, is now the main result of the existing system of depositing government money in large quantities in a few favored banks, leaving these banks free to handle the funds as they please. President Wilson would inaugurate a system which would recognize commercial paper, in addition to bonds and similar securities as a legitimate basis for loans, put the management of the loans in the hands of a Federal board, and arrange for an elastic currency, to be expanded or contracted as occasion requires. This is somewhat similar to the plan proposed by former President Taft.

President Wilson, on June 23, 1913, personally appeared before congress in behalf of immediate adoption of the measure, on which occasion he said:

"It is under the compulsion of what seems to me a clear and imperative duty that I have a second time this session sought the privilege of addressing you in person.

"I know, of course, that the heated season of the year is upon us, that work in these chambers and in the committee rooms is likely to become a burden as the season lengthens, and that every consideration of personal convenience and personal comfort, perhaps in the cases of some of us, considerations of personal health even, dictate an early conclusion of the deliberations of the session; but there are occasions of public duty when these things which touch us privately seem very small; when the work to be done is so pressing and so fraught with big consequences that we know we are not at liberty to weight against it any point of personal sacrifice.

"We are now in the presence of such an occasion. It is absolutely imperative that we should give the business men of this country a banking and currency system by means of which they can make use of the freedom of enterprise and of individual initiative which we are about to bestow upon them.

"We are about to set them free; we must not leave them without the tools of action when they are free. We are about to set them free by removing the trammels of the protective tariff.

"Ever since the civil war they have waited for this emancipation and for the free opportunities it will bring with it. It has been reserved for us to give it to them. Some fell in love, indeed, with the slothful security of their dependence upon the government; some took advantage of the shelter of the nursery to set up a mimic mastery of their own within its walls.

"Now both the tonic and the discipline of liberty and maturity are to ensue. There will be some readjustments of purpose and point of view. There will follow a period of expansion and new enterprise freshly conceived. It is for us to determine now whether it shall be rapid and facile and of easy accomplishment. This it can not be unless the resourceful business men who are to deal with the new circumstances are to have at hand and ready for use the instrumentalities and conveniences of free enterprise which independent men need when acting on their own initiative.

"It is not enough to strike the shackles from business. The duty of statesmanship is not negative merely. It is constructive also. We must show that we know how to supply it.

"No man, however casual and superficial his observation of the conditions now prevailing in the country, can fail to see that one of the chief things

business needs now, and will need increasingly as it gains in scope and vigor in the years immediately ahead of us, is the proper means by which readily to vitalize its credit, corporate and individual, and its originative brains.

“What will it profit us to be free if we are not to have the best and most accessible instrumentalities of commerce and enterprise? What will it profit us to be quit of one kind of monopoly if we are to remain in the grip of another and more effective kind? How are we to gain and keep the confidence of the business community unless we show that we know how both to aid and to protect it. What shall we say if we make fresh enterprise necessary and also make it very difficult by leaving all else except the tariff just as we found it?

“The tyrannies of business, big and little, lie within the field of credit. We know that. Shall we not act upon the knowledge? Do we not know how to act upon it? If a man cannot make his assets available at pleasure, his assets of capacity and character and resource, what satisfaction is it to him to see opportunity beckoning to him on every hand, when others have the keys of credit in their pockets and treat them as all but their own private possession?

“It is perfectly clear that it is our duty to supply the new banking and currency system the country needs, and that it will immediately need it more than ever.

“The only question is, when shall we supply it—now, or later, after the demands shall have become reproaches that we were so dull and so slow? Shall we hasten to change the tariff laws and then be laggards about making it possible and easy for the country to take advantage of the change? There can be only one answer to that question. We must act now, at whatever sacrifice to ourselves. It is a



duty which the circumstances forbid us to postpone. I should be recreant to my deepest convictions of public obligation did I not press it upon you with solemn and urgent insistence.

"The principles upon which we should act are also clear. The country has sought and seen its path in this matter within the last few years—sees it more clearly now than it ever saw it before—much more clearly than when the last legislative proposals on the subject were made. We must have a currency, not rigid as now, but readily, elastically responsive to sound credit, the expanding and contracting credits of everyday transactions, the normal ebb and flow of personal and corporate dealings.

"Our banking laws must mobilize reserves; must not permit the concentration anywhere in a few hands of the monetary resources of the country or their use for speculative purposes in such volume as to hinder or impede or stand in the way of other more fruitful uses.

"And the control of the system of banking and of issue which our new laws are to set up must be public, not private, must be vested in the government itself, so that the banks may be the instruments, not the masters, of business and of individual enterprise and initiative.

"The committees of the congress, to which legislation of this character is referred, have devoted careful and dispassionate study to the means of accomplishing these objects. They have honored me by consulting me. They are ready to suggest action.

"I have come to you, as the head of the government and the responsible leader of the party in power, to urge action now, while there is time to serve the country deliberately and as we should, in a clear air of common counsel. I appeal to you with a deep conviction of duty. I believe that you share this

conviction. I therefore appeal to you with confidence.

"I am at your service without reserve to play my part in any way you may call upon me to play it in this great enterprise of exigent reform which it will dignify and distinguish us to perform and discredit us to neglect."

In order to obtain the views of the leading bankers of the country the senate committee on banking and currency presented to the American Bankers Association a list of thirty-three questions bearing on the subject. To these the association replied in an extended statement as follows:

"It is possible for the treasury department to furnish the country with a safe currency, but it would be difficult to make that currency elastic, in the sense of contracting and expanding according to the needs of the public. The experience of commercial nations is that results can be better accomplished by the creation of a privately owned central organization dominated and controlled by the government, as, for instance, the Imperial Bank of Germany, or the Bank of France. It serves to take the matter out of politics.

"The great danger is that if borrowers go direct to the treasury, politics would become an all important and dominating influence. Our government experienced great difficulty in retiring the greenbacks in gold as presented, at a recent period, although their total amounted to less than \$350,000,000. Four bond issues during one administration became necessary to obtain gold for that purpose. If the amount of treasury notes outstanding were to be multiplied by seven or eight, the responsibility resting upon the government would be still greater.

"With an overflowing treasury and ample gold, no anxiety would be felt, and little difficulty would be

experienced in meeting such obligations, but we know from the past that we are bound to have times in the future when the treasury will be overflowing and the gold reserve will be encroached upon, and the credit of the government would then be unnecessarily brought in issue.

"We cannot have any credit in the country better than that of the government under which we live, and it is for the interest of all to protect that credit against all possible danger.

"The policy of the government has been to protect itself against maturing liabilities by making even its future obligations payable on or after a fixed date at its pleasure. The proposal that it should assume not only large demand liabilities or note issues but also enormous demand liabilities in the form of bank reserve deposits would be a radical and dangerous reversal of its policy."

The first and one of the most important questions asked by the senate committee referred to the bankers' views on the defects of the present currency. The bankers' committee answered as follows:

"A principal defect is the absolute rigidity of our currency. A bank, in order to take out circulation, must invest more money in government bonds than it is permitted to issue in currency, thereby impairing rather than increasing its power to aid commerce and trade. Outside of the three central reserve cities there is no redemption of national bank notes, except when they become unfit to circulate. This condition is inherent in the system and is certainly unsound.

"The system lacks cohesiveness, there being no provision for cooperation among the banks. Under strained financial conditions, when each bank is forced to rely on its own resources and must act independ-

ently of the rest, the lack of a system under which all could cooperate becomes keenly felt.

"The requirement that the banks must individually control their own portion of the legal reserve money of the country, without being provided with proper means for the protection or replenishment of their legal reserves, is unscientific and economically wasteful.

"An unsound system of reserves under which, in periods of anxiety, it becomes necessary in self-protection for each bank to contend against every other bank; the dissipation and scattering of the great bulk of the reserve money of the country into a large number of small hoardings, completely destroying the strength and power which might be gained by unification and massing of reserves for the mutual support of the banks and the common good of the public.

"The use of so much of the legal reserve money of the country in actual circulation for ordinary business purposes is another economical waste. No provision is made for the use of any substitute for legal reserve money as a circulating medium other than the national bank notes secured by government bonds, which are as inflexible in their volume and therefore as irresponsive to the fluctuating commercial needs for them as the legal reserve money itself.

"The gold certificates now in circulation, amounting to \$1,085,489,000, being merely warehouse receipts for an equal amount of gold in the government treasury, form the most conspicuous example of this economic waste.

"The lack of elasticity in the circulation, all forms of our present circulating medium being rigidly fixed in amount. The necessities of commerce for a circulating medium are arbitrarily met with a fixed amount of it, which does not respond in its volume to

the fluctuating demand. Assuming that the aggregate amount may be just sufficient for an average volume of general business, then there must be a surplus when the volume of business falls below the average and a deficiency when the volume of business rises above the average.

"The restriction of the use by the banks of their legal reserves and the prohibition of their lending power in the presence of unusual demands upon them, without means of protecting their reserves by the use of any satisfactory substitute therefor or of replenishing them through adequate rediscounting facilities which would enable them to convert their available assets into cash or legal reserve.

"The lack of provision for the organization of American banking institutions in foreign trade.

"The independent treasury system, under which the government acts as partial custodian of its own funds, resulting in irregular withdrawals of money from the bank reserves and from circulation and materially interfering with the even tenor of general business.

"No open market for commercial paper; banks of sufficient capital should be allowed to accept drafts, for a commission, with a view to the sale of the acceptances in the open market, thus establishing a current market for commercial paper and thereby enabling banks to buy, whenever they have an overplus of funds, or sell in this market, whenever they wish to strengthen their position or meet demands against them, or accumulate funds for the use of their regular clientele."

In answer to the direct question whether there should be a central reserve association, with branches or a number of reserve associations, with or without central control, the bankers replied:

"In our opinion, one central reserve association,



with branches, would best serve our present necessities. Failing that, a small number of regional reserve associations, also with branches, might be organized to serve the purpose. The smaller the number of regional reserve associations, however, the more effective the reserve control.

"If there are to be many regional reserve associations they should be under some kind of control, in which both the government and the various associations should have representation.

"The commission does not favor continuance of bond secured currency, the objection being that the volume of currency is thus arbitrarily limited.

"One unfortunate consequence of this artificial condition," the statement continues, "is that the nation's bonds, which should be widely held by citizens as their choicest investment, are held almost exclusively by banks for circulation or government deposits."

One of the most important recommendations of the commission is made in reply to the question: "Should an elastic currency be authorized by law?"

"We believe that such a currency should be authorized by law," the answer says, "the amount to be controlled by the gold reserve requirements against it. Such reserve should be ample—not less than 50 per cent as a recognized minimum. A special tax might be levied upon any deficiency of the reserve below the stipulated amount of it, this tax to be increased as the deficiency increases. Such provision would, in our opinion, prevent overexpansion of the currency.

"Such currency should be issued by a central reserve association, the commission believes, rather than by a member of a regional reserve or the United States treasury. These notes should be made a first lien not of the government but of holders of the

notes upon the assets of the association which issues them."

Replying to the question whether all currency should be based upon gold, the commission says:

"Reserve money should preferably be gold, but the proportion of greenbacks and silver now included in our so-called lawful money, if not increased, is of diminishing importance, and if continued as eligible for reserve will not cause embarrassment.

"The percentage of reserve money against deposits, either in the form of deposits subject to check or in the form of circulating notes, should be left to the discretion of the management of the central or regional reserve association, but if a restriction is imposed it should be in the form of a tax upon the deficiency in reserve when below 50 per cent."

The bankers did not commit themselves to any definite statement whether there should be any change in the present requirement of law that 25 per cent of deposits shall be held as reserve. The advisability of such a change, in their own opinion, would depend upon the manner in which the reserves are to be controlled and protected.

## CHAPTER CXV.

1913

### IMPEACHMENT OF GOVERNOR SULZER.

Serious Charges Against Governor Sulzer of New York.—Arraigned by the Legislature.—Nature of the Accusations.—Trouble Between Sulzer and Murphy.—How Sulzer Came to the Front.—Part Taken by Murphy.—Revolt of the Governor.—Not Honest in his Professions.—Success Based on Tactics of a Demagogue.—Sulzer Warned of Attack.—Charges of Woman Fall Flat.—Latest Attempt More Successful.—Weakness With the Public.—Position of Mrs. Sulzer.—Tammany Hall Still Strong.—Governors Previously Impeached.

Governor Sulzer, of New York state, a Tammany Hall man elected to the position in 1912, early made it manifest that he did not propose to accept the demands of his political master and measures were taken to get rid of him. These took form, August 13th, 1913, in the adoption of articles of impeachment by the lower house of the legislature by a vote of 79 to 45. These articles accuse Governor Sulzer of committing perjury in connection with the official statement of contributions to his campaign fund; of misusing part of the contributions for stock-speculating purposes; of corruptly using his power as governor to affect the price of securities in which he was interested; that he was guilty of criminal and corrupt practices in office, etc. This arraignment was accepted by the senate and the hearing set for September 22, 1913.

Stripped of legal verbiage the articles of impeachment were as follows:

1—That Gov. Sulzer, in filing his statement of campaign expenses, set forth that his entire receipts

were \$5,460 and his expenditures \$7,724; that this statement "was false and was intended by him to be false;" that his list of receipts failed to include eleven specific contributions, ranging in amount from \$100 to \$2,500.

2—That Gov. Sulzer attached to his statement of campaign expenses an affidavit declaring that the statement was "a full and detailed statement of all moneys received or contributed or expended by him directly or indirectly." That this affidavit "was false and was corruptly made by him," and that he was "guilty of wilful and corrupt perjury."

3—That Gov. Sulzer "was guilty of criminal and corrupt conduct in his office as governor and was guilty of bribing witnesses." The specific charge is that while the Frawley committee was investigating the governor's campaign accounts he "fraudulently induced" three witnesses (his campaign manager, a personal friend, and a stock broker) "to withhold their testimony from said committee."

4—That the governor was guilty of "suppressing evidence" in violation of the state penal law. The specific charge is that he "practiced deceit and fraud and used threats and menaces with intent to prevent the Frawley committee from procuring the attendance and testimony of certain witnesses."

5—That the governor was guilty of "preventing and dissuading a witness from attending under a subpœna" the sessions of the Frawley committee. The witness referred to is Frederick L. Colwell, alleged to have acted as Sulzer's agent in certain stock transactions.

6—That prior to his election the governor appropriated campaign contributions to his own use, "and used the same, or a large part thereof, in speculating in stocks \* \* \* and thereby stole such checks and was guilty of larceny."

7—That Gov. Sulzer promised and threatened to use the authority and influence of his office for the purpose of affecting the vote or political action of certain public officers, including two assemblymen.

8—That he “corruptly used his authority as governor to affect the prices of securities on the New York Stock Exchange, in some of which he was speculating.”

Back of all this there is an interesting history. William Sulzer is a product of the East side in New York city, a section not particularly noted for fineness in morals or political affiliations. Sulzer, a lawyer by profession, was looked upon as a smart man and was taken up by Tammany Hall. He served several terms in congress, and was chairman of the committee on foreign relations. During all this time he gained the name of being an independent, high-principled man, but nobody thought he would ever revolt against his political sponsor.

In the fall of 1912 the Democrats thought they had a chance to carry the state provided the right man was nominated for governor. It seemed difficult, however, to pick the man. At this juncture Charles Murphy, the chief sachem of Tammany, threw his powerful influence for Sulzer. Murphy said Sulzer was to be the man, and what Murphy said went. Sulzer was nominated and elected.

Almost from the start Sulzer began to make it plain that he did not propose to take orders from Murphy or anybody representing him. Murphy submitted a list of appointments he wished made, and a program of the legislation desired. Sulzer rejected both. Murphy kept quiet and waited. He was not pleased, he was not charitable. He was merely biding his opportunity. At last this opportunity came. Swollen with his own pride and importance, confident that the people would applaud him, Sulzer insolently



refused to see Murphy on any pretext and flatly declined to name any of the latter's men to office.

All this, probably, would have been good politics so far as catching the public is concerned, if Sulzer's record had been clean. But, like many another man in his position, his rise to power had been accomplished by a lot of demagoguery. His public record was full of holes, affording vulnerable targets for the batteries of those who knew the facts. Sulzer was warned of the certain outcome of a war on him should one be made, but he affected to laugh at it. He even made public announcement of the plans of his enemies.

"I am threatened with political extinction," he said, "unless I accede to demands for patronage and legislation. Agents of Tammany have come to me to warn me of the consequences of Murphy's wrath. Agents are sent to all parts of the country to pry out any evidence that may be used to my discredit."

The first stroke was the attempt of a woman to make it appear that she had been wronged by Sulzer. It fell flat. The woman's story may have been true, but the people were not in a mood to receive it. Then came the charges of corruption. To these Sulzer had, in a measure, paved the way himself. His attitude in dealing with Murphy had not been altogether that of a modest, honest public servant. That Murphy (or rather Tammany Hall) was a bad egg politically seemed apparent, but it was also evident that Sulzer was reaching out after prestige, trying to ride into power on the back of a reform he was supposed to be creating. In other words, the people of New York state got the impression that the governor didn't care so much about giving them an honest, clean administration as he did of fostering a sentiment that would be favorable to his political ambitions. This may wrong the man. If it does he

is largely to blame for the false impression himself. To put it mildly his actions were at least illy advised.

It did not take long for the opponents of Sulzer to crystalize this hostile sentiment and take advantage of it. When they were ready they struck and struck fearfully hard. It was a much more effective blow than the woman affair.

At the time of this writing Governor Sulzer has made no defense save to deny the charges brought against him, and to engage a strong array of counsel to handle his case. These include Irving G. Vann, former judge of the New York court of appeals; D. Cady Herrick, Louis Marshall, Senator Hinman and Austin G. Fox.

Mrs. Sulzer, to whom the governor was married in 1908, accepts all responsibility for the use of campaign contributions in stock speculation. The governor, she says, was a mere baby in financial affairs and was in the habit of turning over to her considerable sums of money which she used as she saw fit. She signed his name to checks as occasion required, and if there was any speculating done it was done by her. This refers to the charge of wrongfully diverting campaign funds only and leaves unanswered those of "criminal and corrupt conduct," "suppressing evidence," etc., and "misuse of his power as governor," to all of which Sulzer must answer himself.

It is an interesting fact that while Murphy was dictating the nomination of Sulzer as governor one of the delegates to the state convention, angered by this apparent determination of Tammany Hall to name Sulzer as the standard bearer, made an impassioned address during which he foretold the downfall of Murphy in the following language:

"This man who sits here surrounded by his satellites, dispensing favors, dictating policies, and distributing the nominations of a great party—look at

him well, for this is the last time you will look upon such a scene. For him, too, the hour will soon strike, and upon the ruins of his fall will arise the Democracy of the future."

The time may come when the Murphys and Tammany Hall will totter to their fall, but apparently it is still far distant. So long as they can control a safe, working majority of the legislature, there is small danger of wreck. But the leaven of disaster is at work.

Seven times before in the history of this country similar efforts have been made to get rid of state executives by impeachment proceedings. Two were successful, one man resigned under charges, one was acquitted, and against three the proceedings were dropped. The list is as follows:

1862—Charles Robinson, of Kansas, acquitted.

1868—Harrison Reed, Florida, charges dropped.

1870—William W. Holden, North Carolina, removed.

1871—Powell Clayton, Arkansas, charges dropped.

1871—David Butler, Nebraska, removed.

1872—Henry C. Warmouth, Louisiana, term expired and charges dropped.

1876—Adelbert Ames, Mississippi, resigned.

Against all of these men, charges on which impeachment proceedings were based were voted by the various legislatures.

Sulzer is not a strong man personally. He is the creature of circumstances. Inclined to be good he is consumed by an ardent ambition and has sacrificed his best prospects for the sake of advancing himself. Few people give him credit for having any real grievance against Tammany as a public evil. They rather look upon him as a man who finds Tammany in his way, a stumbling block to his advance. Hence he has very few strong friends in his present trou-

ble. There are thousands of people who will be sorry to see him sacrificed, and thousands of others, previously counted among his supporters, who will say: "It served him right. He made war on the men who made political success possible for him."

## CHAPTER CXVI

1913

### FORTIFYING THE PANAMA CANAL.

Plea for Armament.—Contention of Foreign Nations.—Why Fortification is Necessary.—Valuable Work Left Without Protection.—Absurdities of Neutralization.—Defenselessness of the Canal.—Its Importance to the United States.—Why it Should be Fortified.—At Mercy of Aggressive Enemy.—Nature of Fortifications Necessary.—Situation on the Atlantic Coast.—What General Grant Foresaw.—Pacific Coast Affairs.—Attitude of Central and South American Countries.—Other Possible Canal Routes.—What This Country Should Do.—Advantage in Control of Routes Even if Lines Are not Constructed.—Heading off Foreign Enemies.

During the summer of 1913 the question of fortifying the Panama canal again began to assume supreme importance in the minds of the American people. The more the subject was studied the more apparent it became that leaving the canal without armed protection was exposing the work to seizure by some foreign power with a strong navy. Statesmen without regard to politics began to question the wisdom of the non-fortification policy. Foreign nations, of course, opposed armament of the waterway. This was natural. They had no money tied up in it, had not been years constructing it, and had nothing at stake aside from the right of passage.

With a money investment of over \$325,000,000 and a labor representing some eleven years of hard work, in order to secure a highway between the oceans, the United States is in a much different position. With the completion of the canal we will be in possession of one of the most valuable strategic points in the world, both with reference to war and to commerce.



Its great value is its greatest danger. Its possession is of such inestimable value to any nation that in case of war it is inevitable that an attempt will be made to acquire it.

With one accord the important European powers cry out for the strict neutralization of the canal, for the utter absence of anything like means of offense or defense. This is natural. Should we have trouble with any of the leading powers abroad it would be comparatively easy, in case of the canal being unfortified, to deal us a terrible blow in our commercial vitals. Neutralization will render just so much easier the task of those who oppose this government. Neutralization never saved anything from seizure by one of the greatest powers if it wanted it. The neutralization of Belgium is not going to keep its territory from being violated by the German armies the next time there is war with France, as is well attested by the existing German war preparations. What value Belgium and Switzerland attach to their neutralization is shown by the way in which these two countries have fortified and armed themselves.

Another point against neutralization is that it robs us of all benefit of the canal in case of war. The canal held securely in our possession means the unobstructed passage of our fleet, and the necessity for the enemy's fleet to remain in its home ocean or to go through the Straits of Magellan, an additional distance of from 4,000 to 6,000 miles.

What are we building the canal for? Why are we putting into it millions of money and tons of human brawn? For the commercial and naval advantage of other countries? In order that our competitors in the world's race for wealth and fame may defeat us at our own game? What would be thought of a business man who would furnish a rival with the means of meeting him on equal footing in the same field of

endeavor? Yet, stripped of all palaver, this is just what the proposition of the foreigners means. Their contention as to armament is bad enough; that as to not giving American vessels any advantages in a waterway built with American money and operated by American brains is, if anything, worse. They are the pretexts of people looking for trouble.

Our occupation of a continent with frontage on two oceans would, in case of war with European or Asiatic power, put us in the same position Russia found herself in during her war with Japan. If we put half our fleet in each ocean we have only half our strength available to face an enemy. Such an enemy, while not strong enough perhaps to defeat our whole fleet, could defeat half of it before the remaining half arrived, having to face a superior enemy flushed with victory, it also would be defeated. If Russia had had all her fleet in Asiatic waters the Japanese fleet would have been defeated. As it was, being superior to the part in the far east, they were able to destroy it before the fleet from Europe could arrive. Having thus disposed of part of Russia's navy, they were able to defeat the balance when it finally appeared on the scene.

Such a splitting of force, exposing the different parts to being defeated one at a time, is a violation of the cardinal principles of war. Our fleet must be kept united in one ocean or the other, for then it is able to bring its whole strength to bear. Also this unity may give us such superiority that a nation considering attacking us will refrain where her superiority to half our fleet would only prove a temptation.

Our possible European or Asiatic enemies facing only one ocean are freed from this problem of protecting two different coast lines separated by a continent. The possession of the Panama canal in good

working order means that for purposes of defense our Atlantic and Pacific coasts have become practically one, facing, as it were, one ocean.

We retain this advantage and deprive our enemies of an opportunity to attack both our coasts as long as we retain the Panama canal and there is no other canal by which an enemy can pass. If there is another canal, and it is in the enemy's hands, or if they gain possession of the Panama canal, then they can send their fleet where they will, while we must keep ours in one ocean or send it through the Straits of Magellan.

This being well understood the first blow we may expect in war will be one at the Panama canal, with the intention of taking from us entirely, or so damaging it as to prevent the passage of our fleet.

The preparations for the defense of the canal must be made now. When war comes it will be too late. The cardinal principle of modern war as understood everywhere and as practiced everywhere except in England and the United States, is to make, in peace times, such perfect preparation for war that when it comes a staggering blow can immediately be dealt the enemy. Generally this blow will be the only declaration of war received.

To get the full benefit of the canal and to prevent our enemies from benefiting by it, we must now, while we are at peace and have the opportunity:

First:—So provide for the physical defense of the canal that it cannot be captured or injured by a surprise attack.

Second—Prevent all possible enemies from occupying and preparing bases from which in war time they could easily attack the canal or prevent the use of routes leading to it.

Third—Prevent the acquisition by any other na-

tion of any other route over which a rival canal could be built.

To protect the canal itself there must be first sea coast fortifications to keep hostile fleets from attacking it from the sea. As these fortifications cannot keep an enemy from going out of reach of their guns and landing a force at some such place as Puerto Bello, for instance, there must be sufficient infantry, cavalry, and field artillery on the isthmus to defeat any force which can be landed to capture the canal.

One of the greatest dangers is that some small expedition of, say, fifty or a hundred men, having been landed secretly at night some distance from the canal, will approach quietly through the jungle, and then descending quickly and unexpectedly on one of the locks, will in a short time, with high explosives, destroy enough of the machinery to render the canal useless for six months or a year.

To prevent this there must be the proper military guard at all the weak points of the canal and on all possible trails approaching it. So that the best use may be made of the troops on the isthmus, military roads must be constructed throughout the canal zone to the field fortifications, which must be built on every possible line of approach by land.

To prevent knowledge being gained of the defenses of the zone, to prevent the possibility of enemies bent on damage within the limits of the zone, there must be no settlements, no towns, within the limit of the zone. It must be a military zone, under military government, inhabited only by the employes necessary for the operation of the canal and the soldiers necessary for its defense.

All military history points to the necessity for this course being followed. All that is asked of the American people is that for the sake of the proper protection of a canal which means so much to the



whole nation they voluntarily give up the privilege of settling a piece of tropical country roughly fifty miles long and ten miles wide.

When it comes to the prevention of possible enemies from occupying and preparing bases from which they could attack the canal or prevent the use of routes leading to it the question is a more difficult one.

Immediately we are brought in contact with the foreign policies of other nations and the leadership existing between them. Cuba being virtually under our protection as regards her foreign relations, we can easily prevent the occupation of any base in her territory. In Jamaica the British have a base nearer the canal than any of ours and on the main route leading to it.

The islands of Santo Domingo, Porto Rico, and the Danish West Indies are all important because containing harbors or ports which can be used as bases and because all are on and therefore controlling trade routes leading to the canal. Porto Rico being ours, there is no question here. With the other two it is different. Mole Saint Nicholas, Hayti, has attracted attention since Columbus landed there in 1492. The French in 1764 and again in 1846 wished to establish a base there, but both times were frustrated by the English. During our civil war the Spanish tried to seize the whole island.

At the present time the Germans are trying to gain control. In 1906 a concession was granted by the Haytian government. The Germans are supposed to be back of it. General Grant when president appreciated the value of Mole Saint Nicholas and called the attention of Congress to efforts then being made by a European power to purchase it. General Grant also was anxious to bring about the annexation of Santo Domingo, particularly so as to secure Samana



bay for the United States as a base. The president of Santo Domingo, his cabinet, and the people were all in favor of annexation. In 1869 the treaty was signed by the Dominican government. It failed, however, to get the necessary two-thirds vote in the senate. Previously a movement had been started in the house of representatives to bring about annexation by joint resolution. The resolution was not acted upon, however, prior to the adjournment of congress in 1870.

In his third annual message President Andrew Johnson called the attention of congress to the fact that a treaty for the cession of the Danish West Indies had been concluded with Denmark. Nothing came of it, however, congress as in the case of Santo Domingo refusing or being unable to look into the future.

The recent attempt of the United States to acquire these islands failed nominally because of Danish patriotism, but in reality because of German interference. Since then the Hamburg-American line and German travel representatives have acquired interests looking to the establishment of a base.

The Dutch islands off the coast of Venezuela must be watched. They were used by the German warships as bases during her trouble with Venezuela. In the case of Holland being swallowed by Germany, a not unlikely event, these islands would become German.

On the Pacific coast of Central America there is but one good harbor. That is in the Gulf of Fonseca. This gulf belongs to Salvador, Honduras, and Nicaragua. At the present time negotiations are under way between the United States and Nicaragua looking to the right to use the Nicaraguan part of this gulf as an American naval base. This is violently opposed by Salvador for no other reason than that

she is anti-American and will do anything to annoy the government of the United States.

The Cocos islands, which belong to Costa Rica, are well placed to be used as a base. Costa Rica is friendly to the United States and would probably part with the islands without difficulty.

The Galapagos islands, which belong to Ecuador, are excellently situated with respect to the canal and the South American and Asiatic trade routes leading to it. The trade winds make it possible to lay down coal more cheaply in these islands than in Panama. They have therefore every advantage.

In 1851 preliminary negotiations for the transfer of the islands to the United States were entered into with Ecuador. However, as usual, nothing came of them. In the fifty-sixth congress Senator Dodge introduced a resolution proposing the purchase of these islands. The idea was that the United States should purchase the islands for \$8,000,000, the money to be used in the sanitation of Guayquil, Ecuador, the worst plague spot on the face of the earth. The negotiations fell through this time through no fault of the United States. Not only were Ecuadorian interests, hostile to the United States, opposed to a sale or lease, but also Germany, Japan, and Chile.

A German syndicate, backed by the imperial German government, had been very busy trying to obtain concessions in these islands. In 1908, Japan made overtures to Ecuador for the purchase of these islands as a coaling station.

Outwardly the most trouble was raised by Chile. Chile, because of her predominant military and naval strength, has ruled the west coast of South America. Her word has been law. The opening of the Panama canal injects the United States into this region and, consequently, threatens the dominance of Chile. Hence the Chilean policy has been to as far as possi-

ble unite the South American states in opposition to the United States. To do this she has raised the cry that the United States will use the canal to export and levy tribute from South America. She has maintained that the acquisition of the Galapagos islands by the United States would be but the first step in the absorption by them of South American territory.

This hostility to the United States for one reason or another is of the utmost importance, as it lends itself readily to the schemes of our possible European or Asiatic enemies. The defeat by Japan of our attempt to lease Magdalena Bay, Mexico, is a good example of it. Our recent failures to acquire the Danish West Indies and the Galapagos islands are other examples.

There are two other possible canal routes to connect the Atlantic and Pacific. One is the Nicaraguan route; the other is the Atrato river route in Columbia. Zelaya of Nicaragua was bitterly disappointed when the Panama canal route was decided upon. He had expected to profit largely personally by the construction of the Nicaragua canal. He became and remained a bitter enemy of the United States. He turned to Japan for assistance.

In 1908 negotiations were under way by which Japan was to purchase the Nicaraguan route for \$8,000,000. The same treaty which allows us to use Fonseca Gulf as a naval base gives us a permanent option on the Nicaraguan canal route. For these rights we are to pay \$3,000,000 to Nicaragua. This treaty lacks only confirmation by the senate.

At the same time that Japan considered the Nicaraguan route, she also considered the Atrato route. When Columbia's hostility to ourselves is considered, it is easily seen how great is the chance that she may

damage us by allowing this route to fall into other hands.

The advantage in acquiring all possible bases and routes is that their acquisition by us once and for all removes the chance of any dispute arising as to the result of their attempted acquisition and use by other powers. If we do not have them, other powers are sure to attempt to gain them. Then we will have our choice of perhaps having to resort to force to prevent it or else allow a possible enemy to finally establish herself where she can do us incalculable damage in war time.

Here we have the entire panorama of the Panama situation spread out so that a child may readily understand it. What would be thought of the man who, having erected a fine house and stored it with valuable goods, left it exposed to fire and thieves without insurance? Yet, this is what the foreign diplomats propose we should do with the Panama canal. It does not seem possible that this destructive policy will be acceptable to the American people.

## CHAPTER CXVII.

1913

### PRESIDENT WILSON'S FIRST MESSAGE.

Lofty in Tone, but Devoid of Practical Suggestions.—Disappointment to the Public.—An Invocation Rather Than a Message.—Notable Chiefly for Its Brevity.—What the New President Said.—Appeal to Loyalty of People.—Speaks in Allegorical Terms.—Duty Before the Public.—Iniquity of the Tariff.—Handicaps of Banking and Currency System.—Need for Conservation and Reclamation.—Idealistic Rather Than Practical.—Commended by English Press.—What Vice-President Marshall Said.—His Address to the Senate.—Views Held by President Wilson on Public Topics.—What He Advocates.

It would be difficult to conceive of a public document more lofty in tone and felicitous of phrase than President Wilson's inaugural address delivered March 4, 1913. And yet it was a disappointment. A mass of glittering generalities, nowhere did the new executive outline what should be done, nowhere did President Wilson say what his policy or that of congress should be. His address was rather in the form of a prayer, an invocation, that all might be well with this land of ours. He appealed to the loyalty of his fellow-countrymen. Aside from this the address was unique. It was singularly brief. Few new executives have ever contented themselves with so scant an array of words. He said:

"There has been a change of government. It began two years ago, when the house of representatives became Democratic by a decisive majority. It has now been completed. The senate about to assemble will also be Democratic. The offices of president and vice-president have been put into the hands of Democrats.



"What does the change mean? That is the question that is uppermost in our minds today. That is the question I am going to try to answer, in order, if I may, to interpret the occasion.

"It means much more than the mere success of a party. The success of a party means little except when the nation is using the party for a large and definite purpose.

"No one can mistake the purpose for which the nation now seeks to use the Democratic party. It seeks to use it to interpret a change in its own plans and point of view.

"Some old things with which we had grown familiar, and which had begun to creep into the very habit of our thought and of our lives, have altered their aspect as we have latterly looked critically upon them, with fresh, awakened eyes; have dropped their disguises and shown themselves alien and sinister.

"Some new things, as we look frankly upon them, willing to comprehend their real character, have come to assume the aspect of things long believed in and familiar, stuff of our own convictions. We have been refreshed by a new insight into our own life.

"We see that in many things life is very great. It is incomparably great in its material aspects, in its body of wealth, in the diversity and sweep of its energy, in the industries which have been conceived and built up by the genius of individual men and the limitless enterprise of groups of men.

"It is great, also, very great in its moral force. Nowhere else in the world have noble men and women exhibited in more striking forms the beauty and the energy of sympathy and helpfulness and counsel in their efforts to rectify wrong, alleviate suffering, and set the weak in the way of strength and hope.

"We have built up, moreover, a great system of government, which has stood through a long age as

in many respects a model for those who seek to set liberty upon foundations that will endure against fortuitous change, against storm and accident. Our life contains every great thing and contains it in rich abundance.

"But the evil has come with the good, and much fine gold has been corroded. With riches has come inexcusable waste. We have squandered a great part of what we might have used, and have not stopped to conserve the exceeding bounty of nature, without which our genius for enterprise would have been worthless and impotent, scorning to be careful, shamefully prodigal as well as admirably efficient.

"We have been proud of our industrial achievements, but we have not hitherto stopped thoughtfully enough to count the human cost, the cost of lives snuffed-out, of energies overtaxed and broken, the fearful physical and spiritual cost to the men and women and children upon whom the dead weight and burden of it all has fallen pitilessly the years through.

"The groans and agony of it all had not yet reached our ears, the solemn, moving undertone of our life, coming up out of the mines and factories and out of every home where the struggle had its intimate and familiar seat.

"With the great government went many deep secret things which we too long delayed to look into and scrutinize with candid, fearless eyes. The great government we loved has too often been made use of for private and selfish purposes, and those who used it had forgotten the people.

"At last a vision has been vouchsafed us of our life as a whole. We see the bad with the good, the debased and decadent with the sound and vital. With this vision we approach new affairs.

"Our duty is to cleanse, to reconsider, to restore,

to correct the evil without impairing the good, to purify and humanize every process of our common life without weakening or sentimentalizing it.

"There has been something crude and heartless and unfeeling in our haste to succeed and be great. Our thought has been 'Let every man look out for himself, let every generation look out for itself,' while we reared giant machinery which made it impossible that any but those who stood at the levers of control should have a chance to look out for themselves.

"We had not forgotten our morals. We remembered well enough that we had set up a policy which was meant to serve the humblest as well as the most powerful, with an eye single to the standards of justice and fair play, and remembered it with pride. But we were very heedless and in a hurry to be great.

"We have come now to the sober second thought. The scales of heedlessness have fallen from our eyes.

"We have made up our minds to square every process of our national life again with standards we so proudly set up at the beginning and have always carried at our hearts. Our work is a work of restoration.

"We have itemized with some degree of particularity the things that ought to be altered, and here are some of the chief items:

"A tariff which cuts us off from our proper part in the commerce of the world violates the just principles of taxation and makes the government a facile instrument in the hands of private interests.

"A banking and currency system based upon the necessity of the government to sell its bonds fifty years ago and perfectly adapted to concentrating cash and restricting credits.

"An industrial system which, take it on all its sides, financial as well as administrative, holds capi-

tal in leading strings, restricts the liberties and limits the opportunities of labor, and exploits without renewing or conserving the natural resources of the country.

"A body of agricultural activities never yet given the efficiency of great business undertakings or served as it should be through the instrumentality of science taken directly to the farm, or afforded the facilities of credit best suited to its practical needs.

"Water courses undeveloped, waste places unreclaimed, forests untended, fast disappearing without plan or prospect of renewal, unregarded waste heaps at every mine.

"We have studied as perhaps no other nation has the most effective means of production, but we have not studied cost or economy as we should either as organizers of industry, as statesmen, or as individuals.

"Nor have we studied and perfected the means by which government may be put at the service of humanity, in safeguarding the health of the nation, the health of its men and its women and its children, as well as their rights in the struggle for existence.

"This is no sentimental duty. The firm basis of government is justice, not pity. These are matters of justice. There can be no equality of opportunity, the first essential of justice in the body politic, if men and women and children be not shielded in their lives, their very vitality, from the consequences of great industrial and social processes which they cannot alter, control, or singly cope with.

"Society must see to it that it does not itself crush or weaken or damage its own constituent parts. The first duty of law is to keep sound the society it serves. Sanitary laws, pure food laws, and laws determining conditions of labor which individuals are powerless

to determine for themselves are intimate parts of the very business of justice and legal efficiency.

"These are some of the things we ought to do, and not leave the others undone, the old fashioned, never to be neglected, fundamental safeguarding of property and of individual right. This is the high enterprise of the new day. To lift everything that concerns our life as a nation to the light that shines from the hearthfire of every man's conscience and vision of the right.

"It is inconceivable that we should do this as partisans; it is inconceivable we should do it in ignorance of the facts as they are or in blind haste.

"We shall restore, not destroy. We shall deal with our economic system as it is and as it may be modified, not as it might be if we had a clean sheet of paper to write upon; and step by step we shall make it what it should be, in the spirit of those who question their own wisdom and seek counsel and knowledge, not shallow self-satisfaction or the excitement of excursions whither they cannot tell. Justice, and only justice, shall always be our motto.

"And yet it will be no cool process of mere science. The nation has been deeply stirred, stirred by a solemn passion, stirred by the knowledge of wrong, of ideals lost, of government too often debauched and made an instrument of evil.

"The feelings with which we face this new age of right and opportunity sweep across our heartstrings like some air out of God's own presence, where justice and mercy are reconciled and the judge and the brother are one.

"We know our task to be no mere task of politics, but a task which shall search us through and through, whether we be able to understand our time and the need of our people, whether we be indeed their spokesmen and interpreters, whether we have the pure



heart to comprehend and the rectified will to choose our high course of action.

"This is not a day of triumph; it is a day of dedication. Here muster, not the forces of party, but the forces of humanity. Men's hearts wait upon us; men's lives hang in the balance; men's hopes call upon us to say what we will do."

"Who shall live up to the great trust? Who dares fail to try?"

"I summon all honest men, all patriotic, all forward looking men, to my side. God helping me, I will not fail them, if they will but counsel and sustain me."

Look at it as we may it is a peculiar address; a plea for help, rather than an avowal of what will be attempted in the line of government activity. It is commendable, in that it does not attempt to tell congress what it should do. It is idealistic rather than practical. Press comment on the address was favorable, especially by the English papers.

The London morning papers in editorial comments treated it as a departure both in style and substance from the traditional speeches on such occasions, and said it initiates or rather connects a new era in social reform. The comments were wholly in admiration of the address so far as the aims of the president are concerned, but doubts were expressed as to what may be expected to be achieved by the new administration.

The Daily Telegraph dwelt on what it calls the transparent sincerity of the address and its eloquent and ornate presentation of humane ideals. It compared it to the speeches through which William J. Bryan became the idol of millions of Americans, and said:

"President Wilson has plucked at last the string of pure idealism. The chastened tone of his address

has a very real correspondence with the facts of political psychology in the United States today."

After calling attention to the limitations of the presidential and legislative powers and the divisions of opinion among the Democrats themselves, the paper said:

"Whatever happens, President Wilson's term is certain to be a remarkable and fervid period in the modern development of the United States."

The *Tory Morning Post* printed some unwontedly sympathetic remarks on the combination of character and caution in the address, in which it said:

"There is nothing to antagonize or alarm the great interests of the country, while there is yet a note of sympathy for the poor and suffering which is well calculated to touch the heart of humanity."

The *Post* commended Mr. Wilson's caution against sentimentalism and expressed the opinion that the thesis of the address is no less remarkable because it is not pugnacious.

The *Daily Graphic*, while expressing the fear that the times are not too propitious for an idealist, heartily wished the president good luck, and said:

"The echoes of his noble address will bring to the world which is in the mad pursuit of international uncharitableness and bloated schemes of a military holocaust a welcome reminder of better things and more manly strivings."

The *Daily Mail* is the least appreciative of all the papers. It thinks the inaugural reads rather like a tract and says it conveys somewhat too black an impression of modern conditions in America. It adds:

"One fact at least clearly appears—the era of free competition in the United States is ended and the day of government control of industry is at hand."

The paper pointed out that in a life where there are going to be prizes for everybody the prizes must

be of small value and that the attraction of the United States for the energetic people of Europe as a place where the rewards of success are the greatest will henceforward be to some extent lacking. Moreover, the paper said, it does not see how the trusts can be "busted" without destroying the business prosperity which means "the full dinner pail."

The radical newspapers were frankly delighted with the address. The Daily News and Leader said:

"President Wilson has set before his fellow-citizens a fine ideal and indicated to them the road by which it can be pursued."

The Daily Chronicle said: "The inaugural address of President Wilson is a striking expression of that elevated democracy which has long been absent from high politics in the United States. The United States must be heartily congratulated at having such a fearless statesman at its head. We look for the influence of his spirit to spread far beyond his own country."

Vice-President Marshall was a little more outspoken. In addressing the senate over which he is to preside he pleaded for fair dealing and urged the senate to place the United States in the front of all nations by the rigid observance of all treaty obligations.

"I offer no surety as to my discharge of duties," he said, "other than a personal pledge I will seek to familiarize myself with them and will endeavor always to exercise that complaisance and forbearance which are essential to him who presides over great debates upon great public questions by great men.

"Divergent views relative to this body would be less divergent if the American people would come to realize that on all sides of questions much may truthfully be said. Such an attitude of the public mind would eliminate the view that this body is dis-

tinctively deliberate and not thoroughly patriotic. Charges of bad faith based on an attitude of mind or conduct should never be made until it is clearly established that the resultant action is the outcome of personal interest or improper and dishonorable business or social relations.

"Your action has not always met with universal approval, but up to this good hour no workable substitute for the exercise of the functions of this body has been proposed. It is not needful for me here and now to accept a brief in your defense.

"To my mind government is the harness with which a people draws its load of civilization. If the harness be properly adjusted the load, though heavy, will be drawn with ease and no part of the people will be galled. The senate is the blinders, intended to keep the people from shying at imaginary dangers and toppling into the ditch our system of government. So long as the blinders serve this purpose they are the most valuable part of the harness, but if they be drawn so closely to the eyes as to prevent the seeing of real dangers then they should either be spread or done away with entirely.

"With neither right nor desire to infringe upon the prerogatives of the president so soon to be, I beg the expression of the opinion that whatever diverse views may be held relative to the work of this body, all persons are agreed that under the constitution the senate of the United States is singularly the guardian of the people's honor.

"When we enter the chancelleries of the world and submit to their judgments, not only our right to be, but our right to be respected, we can hope to be measured in but one way; and we must be able to show that the solemn treaty obligations of this republic will be kept with the same scrupulous honesty, both of spirit and letter, whether made with the

humblest people of this continent struggling for self-government or with the mightiest monarch of the old world.

“If any one, in the name of the American people, either in violation of treaty obligations or the manifest purpose of the Monroe doctrine, has taken aught while this body was deliberating, it is your duty to ascertain all facts thereto. And if wrong or injustice has been done, even to the humblest republic, let this people be brave enough and sufficiently honest to make reparation.”



## CHAPTER CXVIII.

1913

### THE DEMOCRATIC PARTY IN POWER.

The Sixty-third Congress.—The Men at the Helm.—The Minor Cabinet Appointments.—The Democrats in Power Throughout the Country.—The Legislation Enacted.—The Tariff Bill and the Income Tax.—The Federal Reserve Banks.—Anti-trust Legislation and the Federal Trade Commission.—How the Democratic Party Made Good in the First Two Years.

At caucuses in both House and Senate, John Kern, Indiana, was made leader of the Senate, Champ Clark was again elected Speaker of the House and Oscar A. Underwood chairman of the still powerful Ways and Means Committee. Senator Jas. P. Clarke, Arkansas, was chosen president pro tem. of the Senate. In the House the chairmanships of committees went almost wholly to Southerners. Here follows a number of the committees and the chairmen of same:

Banking and Currency, Glass, Virginia; Appropriations, Fitzgerald, New York; Rules, Henry, Texas; Judiciary, Clayton, Alabama; Rivers and Harbors, Sparkman, Florida; Interstate and Foreign Commerce, Adamson, Georgia; Foreign Affairs, Flood, Virginia; Naval Affairs, Padgett, Tennessee; Military Affairs, Hay, Virginia; Post Office and Post Roads, Moon, Tennessee; Agriculture, Lever, South Carolina; Public Buildings, Clark, Florida.

It speaks well for the country and for the good feeling prevailing throughout it that there was no criticism on the part of the North over the appointments. These men at the helm were considered Americans for America and nothing else. The presi-

dent appointed the following assistant secretaries and at the time of appointment emphasized their importance. State, John E. Osborne, Ex-Governor of Wyoming; Treasury, John Skelton Williams; Navy, Franklin D. Roosevelt; Agriculture, Beverly D. Galloway; Commerce, Edwin F. Sweet; Post Office, Daniel C. Roper; Interior, Adrieus A. Jones; War, Henry S. Breckenridge; Labor, Louis F. Post; Commissioner of Labor Statistics, Charles P. Neill. Anthony Caminetti was made Commissioner General of Immigration. Ex-Governor John Burke of North Dakota was named United States Treasurer, and Professor John Basset Moore Counselor to the State Department.

The Democratic party had succeeded in electing governors in many states normally Republican. The reason for this was not so much the growth of this party but the great strength of Roosevelt at the fall election and the consequent small votes of the Republican office-seekers.

The president's stand before election had been for progress. The country now sat back watchful, anxious, waiting to see what he would do. There were many who were afraid that the new administration would be ultra-radical and that the country would suffer because of it. The radicals expected a great deal because of Bryan's strength and prestige. His apparent influence with the administration seemed to give some indication of what to expect.

Two notable measures were immediately fathered by the administration leaders. The first, the downward revision of the tariff, the same bill including a graduated income tax upon incomes of over \$4,000. The country, which expected some such measure gave it general approval, even Republican papers admitting that the measure was not nearly as radical as they had reason to expect. This was no indica-

tion that the measure was not far reaching, but showed the trend of the time. The most daring of radicals would have hesitated to bring forth such a measure ten years earlier.

"The bill makes the tax on necessities low but provides for a high tax on luxuries," was the way one of the standard periodicals put it. There was, however, great opposition to the measure from certain interests. The bitterest of fights was centered about the attempt to lower the tax on woollens and sugar. There was so much "lobbying" by interests, so tremendous and powerful were their efforts to influence the legislation on these two commodities, that it brought out a remarkable and unusual utterance from the president which resulted in the appointment of a committee in the Senate to investigate the charges. The wool question—Schedule K—in the new measure called for free wool and included a sweeping reduction on manufactured goods made wholly or principally of wool. For instance, woollen goods from which clothing is made was reduced from 100 per cent to 35 per cent. Other woollen products, which had been taxed 60 to 100 per cent were reduced to a range of from 20 to 35 per cent. The sugar clause kept a moderate tariff on sugar for three years and then abolished it. The graduated income tax was intended to make up part of the revenue lost by the decrease in custom house receipts. It was a departure for this country in revenue legislation, although not new in European countries.

The bill was introduced in the House in April, 1913, but did not pass the Senate until September. On the day it passed the Senate the president issued a statement which showed his satisfaction in the work of his party and his belief that it would hold to its platform and pledges made before his election. Part of his statement is herewith quoted.:

"A fight for the people and for free business which has lasted a long generation through has at last been won, handsomely and completely. A leadership and a steadfastness in counsel has been shown in both houses of which the Democratic party has reason to be very proud. There has been no weakness, nor confusion, nor drawing back, but a statesmanlike directness and command of circumstances.

"I am happy to have been connected with the Government of the nation at a time when such things could happen and to have worked in association with men who could do them. There is every reason to believe that currency reform will be carried through with equal energy, directness and loyalty to the general interest.

"When that is done this first session of the Sixty-third Congress will have passed into history with an unrivalled distinction. I want to express my special admiration for the devoted, intelligent and untiring work of Mr. Underwood and Mr. Simmons, and the committees in association with them."

Before a notable gathering, the president signed the bill on October 3rd, 1913, making it a law.

In the meantime the other important measure—the Currency and Banking bill—which is treated elsewhere in this history (see Chapter CXIV) had been before both branches of Congress since June 26th. It was known as the Owen-Glass bill. Not until December 23rd did the bill come before the president, who had been anxious for its passage before the new year.

The cities and districts as selected by Secretaries McAdoo and Houston (the Comptroller of the Treasury, John Skelton Williams, who had been promoted to that office from assistant secretary of the treasury, was also a member of the committee upon the

selection of districts and cities but he had taken office too late to help in the selection) were as follows:

Boston, 1st district, the six New England States; New York, 2nd district, New York State; Philadelphia, 3rd district, most of Pennsylvania, New Jersey, Delaware; Cleveland, 4th district, Ohio, western Pennsylvania, parts of West Virginia, Kentucky; Richmond, 5th district, District of Columbia, Maryland, Virginia, North and South Carolina, part of West Virginia; Atlanta, 6th district, Georgia, Florida, Alabama, parts of Mississippi, Tennessee; Chicago, 7th district, Iowa, most of Michigan, Indiana, Illinois, Wisconsin; St. Louis, 8th district, parts of Missouri, Illinois, Indiana, western Kentucky, Tennessee and north Mississippi; Minneapolis, 9th district, from the Great Lakes to the Rockies, including Montana, the Dakotas, Minnesota, north Wisconsin, Michigan; Kansas City, 10th district, Kansas, Nebraska, Colorado, Wyoming, western Missouri, parts of Oklahoma, New Mexico; Dallas, 11th district, Texas, most of Louisiana, southern Oklahoma, most of New Mexico, part of Arizona; San Francisco 12th district, Washington, Oregon, California, Idaho, Nevada, Utah and most of Arizona.

The president appointed the following five men to sit with the secretaries of the treasury and agriculture and the comptroller of the currency as the Federal Reserve Board—W. P. G. Harding, Paul M. Warburg, Dr. Adolph C. Miller, Charles Sumner Hamlin and Frederic A. Delano.

With the close of the year 1913 Congress and the president were already contemplating legislation affecting the so-called trust issues. The president and the leaders of the Democratic party felt that it was a year well spent and the general feeling throughout the country was of approval.

On Tuesday, January 20th, 1914, the president ap-



peared before Congress with his expected message in reference to government trade control and the so-called anti-trust measures. The opinion of the country, so he said, as regards trusts and monopolies was clearing. But action was necessary—"constructive legislation, when successful, is always the embodiment of convincing experience and of the mature public opinion which finally springs out of that experience \* \* \* there were to be easy and simple business adjustments; nothing torn up by the roots. The practical measure would deal with interlocking directorates; this would result in independent industrial management, which would work in its own behalf. The Interstate Commerce Commission," he said, "under the proposed legislation, would have the power to regulate financial operations of transportation companies. \* \* \* There would be created an interstate trade commission." And the president declared his belief that prosecutions should not be directed against business and its organization but against individuals who are guilty of offenses. On May 19, Congress began debating the anti-trust measures, three in number.

The Federal Trade Commission resulted from many years of thought and construction and its passage was practically unopposed. The commission consists of five members with full inquisitorial powers into the operation and organization of all corporations engaged in interstate commerce, other than common carriers. The Commissioner of Corporations is one of the members of the board and the powers of the Bureau of Corporations were transferred to the commission.

In addition to the power to be given to the Interstate Commerce Commission—power to control the stock and bond issues of common carriers—which was made the second of the bills, the third measure,

the so-called Clayton bill, prohibited intercorporate stock holding, and interlocking directorates in competing companies and corporate purchases of supplies in which corporate directors or officers are interested; also the exemption of labor organizations from prosecution under the anti-trust acts, the modification of the law regarding injunctions and contempt of court and the personal punishment of directors, officers and agents of corporations whose violations of the anti-trust laws they have aided and abetted.

It will be interesting to read what the president had to say upon the successful completion of these bills which rounded out the three important measures; legislation which he and the administration had planned.

"With this new legislation there is clear and sufficient law to check and destroy the noxious growth in its infancy. Monopolies are built up by unfair methods of competition, and the new Trade Commission has power to forbid and prevent unfair competition, whether upon a big scale or upon a little; whether just begun or grown old and formidable. Monopoly is created also by putting the same men in charge of a variety of business enterprises, whether apparently related or unrelated to one another, by means of interlocking directorates. That the Clayton bill now in large measure prevents. Each enterprise must depend upon its own initiative and effectiveness for success, and upon the intelligence and business energy of the men who officer it. And so all along the line. Monopoly is to be cut off at the roots.

"Incidentally, justice has been done the laborer. His labor is no longer to be treated as if it were merely an inanimate object of commerce disconnected from the fortunes and happiness of a living

human being, to be dealt with as an object of sale and barter. But that, great as it is, is hardly more than the natural and inevitable corollary of a law whose object is individual freedom and initiative as against any kind of private domination.

"The accomplishment of this legislation seems to me a singularly significant thing. If our party were to be called upon to name the particular point of principle in which it differs from its opponents most sharply and in which it feels itself most definitely sustained by experience, we should no doubt say that it was this: That we would have no dealings with monopoly, but reject it altogether; while our opponents were ready to adopt it into the realm of law, and seek merely to regulate it and moderate it in its operation. It is our purpose to destroy monopoly and maintain competition as the only effectual instrument of business liberty.

"We have seen the nature and the power of monopoly exhibited. We know that it is more apt to control government than to be controlled by it; for we have seen it control government, dictate legislation, and dominate executives and courts. We feel that our people are safe only in the fields of free individual endeavor where American genius and initiative are not guided by a few men, as in recent years, but made rich by the activities of a multitude, as in days now almost forgotten. We will not consent that an ungovernable giant should be reared to full stature in the very household of the Government itself."

## CHAPTER CXIX.

1915

### THE EUROPEAN WAR AND THE MEXICAN TROUBLES.

The European War: The Problems it Presents.—What it Brings to the Country.—The Hyphenated Americans.—A Better Understanding.—The Mexican Troubles.—Snares and Pitfalls.—The Instability of That Government.—Intervention Necessary.—The Call of Troops to the Border.—Clashes Between Carranza's Troops and Americans.—Commission Appointed by Both Governments.

To deal with the European War from a historical standpoint would necessitate much more space than can be allotted in a history of the United States which is as brief as is this. To put into this history the relations of the United States with the Great War would require no less than nine volumes, none smaller than these. There are many phases of the war that directly affect this country, morally, economically, and politically. There would be a difference of opinion as to the relative importance of the happenings. The war after the first stunning blow brought a reaction and gave this country an impetus in industry and finance that spelled great prosperity. There was a great demand for labor and the supply especially in the unskilled fields was not sufficient to meet the demands. This was due in the main to the return of many reservists to their fatherlands. Large loans were made to the warring countries, supplies in large quantities went to them also and much of the money loaned by capital in this country stayed at home to pay for the exports. Not only were there big shipments to these countries, but the neutral countries who had looked to England, France

and Germany for importations now had to turn to us and make their demands upon our industries. There was of course increased consumption at home due to the better times. The attitude of the country from the strong pro-ally who thought the country should enter the war to the pro-Germans who felt that this country should enter the lists on the side of Germany, gave the president, and the thoughtful, neutral minded people much concern. There grew a feeling also that America did not come first with many of its naturalized citizens. Bitterness of feeling was everywhere, but out of it all came a stronger feeling for America, the propaganda of Americanism began to be preached everywhere. At a remarkable gathering in Philadelphia of citizens who were newly naturalized, the president made a wonderfully eloquent address. It echoed throughout the country and helped to cement and renew patriotism which had been stirred and deepened through the length and breadth of the land. The spirit everywhere was similar to the kind generated by revivalist meetings excepting that it was more lasting and on a firmer basis.

The unexampled European conflict came upon the people of America wholly by surprise. The thousands of our citizens who were in Europe on business or in pursuit of pleasure were treated with scant courtesy by all the belligerents during the first weeks of mobilization and battle, and our travelers, whatever their credit at home, were nearly everywhere reduced to immediate want. The shock to the American pride was great, and the burden of national anxiety fell almost entirely upon the president, the nation seemingly trusting all to his calmness of judgment. He at once issued a proclamation of strict neutrality, declaring the long established friendship of the United States for all the great nations at war,



and solemnly urging the citizens of the United States individually to refrain, so far as humanly possible, from argument touching the terrible events that were coming thick and fast upon the whole world.

The efforts of the belligerents to cut off one another's supplies of food and munitions of war at once abolished all preceding international law, destroyed the freedom of the high seas, and invaded the most sacred rights of neutral nations. Great Britain peremptorily widened its restrictions on contraband goods, and was able to prevent the entrance of food into any German port. "If England wants to starve us," replied the Germans, "we can play the same game. We can blockade her with our submarines and torpedo every English or Allied ship that nears any harbor in Great Britain or the Mediterranean. If submarine warfare on merchantmen without warning and search be 'inhuman,' so is the ominous attempt to starve a great nation, non-combatants and all." Following hard upon the British note of February 2, 1915, declaring contraband all foodstuffs shipped to Germany, "even if intended for civilians," that country replied by torpedoing five merchant ships of the Allies in the English Channel and the Irish Sea. "Every enemy-merchantman found in this war-zone will be destroyed, even if it is impossible to avert dangers which threaten the crew and passengers," was the German official announcement, and, "in consequence of the misuse of neutral flags, it cannot always be avoided that attacks meant for the enemy endanger neutral ships." To this Great Britain protested: "We are made the object of a kind of warfare never before practiced by a civilized state—the scuttling of merchant-ships without search or parley."

The United States earnestly protested to both belligerents, warning them that they were selfishly

making their own kind of international law, and holding that such acts must seriously disturb the diplomatic relations of the great republic with nearly all Europe. The mining of the high seas, also, was looked upon as a piratical act.

We shall assemble here the principal outrages upon American shipping, although Great Britain on her part at time interned as many as 200 or our vessels in one harbor for arbitrary search or seizure, requisitioned our merchantmen, and curtly declined to recede from an almost intolerable position. It may be seen that there fell upon the United States a danger of the necessary choice as to which of the great belligerents it might be compelled to fight:

January 21, 1915, the American steamer *William P. Frye*, loaded with wheat for Europe, was attacked and sunk in the Pacific Ocean by a German cruiser. The crew were taken prisoners, but when the German vessel found itself in extreme peril, it sought refuge at Newport News, on the Atlantic coast, was interned, and its American prisoners were released as a matter of course. Germany admitted liability, and offered to pay value fixed by a German prize court. Not till late in August, 1915, was this incident closed, Germany agreeing to the immediate reference of certain matters affecting national pride to The Hague Peace Tribunal.

February 19, 1915, the American steamer *Evelyn* was destroyed by a German mine. Germany declared the ship was off the prescribed course and had struck the mine through that neglect. Agreed to by America.

February 22, 1915, the American steamer *Carib* was sunk by a German mine and three Americans lost. Incident closed by same agreement.

March 28, 1915, the British steamer *Falabia* was sunk by a German mine and 112 lives were lost, in-

cluding one American. Germany declared that the *Falabia* tried to escape and call aid, thus violating war rules. The views of the United States were set forth later in the *Lusitania* notes.

April 3, 1915, the American steamer *Greenbriar* was sunk by a German submarine. Germany declared it was a regrettable error. The incident, in "closing diplomatically," seemed to follow the lines accepted in the *Frye* affair.

April 28, 1915, the American steamer *Cushing* was bombarded in the North Sea by a German aeroplane. Germany answered that no aviator had reported the attack, and hence it disclaimed liability. This question was also taken up in President Wilson's *Lusitania* notes.

May 7, 1915, the great British steamship *Lusitania*, from New York to Liverpool, was attacked without warning by a German submarine while approaching the Irish coast. The ship sank within fifteen minutes and the lives of 1,276 non-combatants, 112 of them American men, women and children, were sacrificed. This act of war deeply stirred the American nation from coast to coast, for, to the general surprise of all other nations, Germany would not disclaim the deed. Its justification was based on the declaration that the *Lusitania* carried concealed guns and gunners, Canadian troops, and munitions of war, including 5,200 cases of ammunition; that passengers were warned by advertisements printed at the direction of the German embassy; and that, if the great ship had not been destroyed, its cargoes would have been used to kill German soldiers. May 13th, 1915, President Wilson addressed his first *Lusitania* note to Germany: "American citizens act within their indisputable rights in taking their ships and in traveling wherever their legitimate business calls them upon the high seas. \* \* \* The American

Government must hold the Imperial Government to a strict accountability for any invasion of these rights, intentional or accidental. \* \* \* The Imperial Government will not expect the Government of the United States to omit any word or any act necessary to the performance of the sacred duty of maintaining the right of the United States and its citizens, and of safe-guarding their free exercise and enjoyment." The tone of the German reply was wholly unsatisfactory, calling out President Wilson's second Lusitania note, dated June 9, 1915. "The Government of the United States deems it reasonable to expect that the Imperial German Government will adopt the measures necessary to put these principles (the treaties and law of nations and of humanity) into practice in respect of the safe-guarding of American lives and American ships, and asks for assurance that this will be done." The American Government declared definitely that the Lusitania did not carry the cannon, the Canadian soldiers, or the munitions charged by Germany. To this Germany replied, July 9, 1915: "In particular, the Imperial Government is unable to admit that American citizens can protect an enemy ship through the mere fact of their presence on board." July 21, 1915, President Wilson reiterated the terms of his former notes, using still more solemn language of warning. "Friendship itself prompts the United States to say to the Imperial Government that repetition by the commanders of German naval vessels of acts in contravention of those rights (of humanity) must be regarded by the Government of the United States, when they affect American citizens, as deliberately unfriendly."

May 25th, 1915, the United States steamer Nebraska was destroyed by a German submarine. Germany called it an unfortunate error, because the

ship carried no neutral marks, and offered reparation—kind and amount not stated.

Just before the third Lusitania declaration by America, William J. Bryan, Secretary of State, refused to longer uphold the firm stand of the president, and resigned from the American cabinet.

The German belligerents manifested increasing irritation concerning the manufacture of munitions of war on a gigantic scale in America, and in July 1915, the Austro-Hungarian Empire addressed a solemn protest to the United States, couched in President Wilson's own firm tone. To this the president replied with a categorical denial of Austria-Germany's request, but declared our desire to keep up diplomatic relations.

On August 19th, the British liner Arabic was sunk without warning off the Irish coast, again exposing a large number of non-combatants, men and women, to the horrors of a deliberate shipwreck, and killing or maiming something like a dozen of the American passengers bent on returning home, some of them, as in the case of the Lusitania's passengers, being people of acknowledged prominence in American professional, business or social affairs.

After a crisis of several days, the Imperial Government gave the United States to understand that full satisfaction would be given and reparation made.

On August 21, 1915, Great Britain declared cotton absolutely contraband of war.

On March 18th, 1915, an arrangement was made between Great Britain, Germany and Austria by which representatives of this country were to inspect and report upon alien prison camps and attend to distribution of supplies sent to prisoners. Such an arrangement was also made between Russia and France and Germany and Austria later. Charges and counter charges of the belligerent nations were



presented at Washington daily. But most important and serious were this country's contentions due to the sinking of the *Lusitania* and of other ships on which were Americans. The president in a series of strong notes which put the position of this country in plain and unmistakable language warned Germany that her actions appeared to be deliberately unfriendly and any further act of similar nature would be so construed. He also objected for humanity's sake to Germany's method of sinking unarmed ships without warning and without provision for saving noncombatants. The probability of war between this country and the central powers seemed almost certain, but Germany gave in to the demands of this country and gave up her submarine policy. Friction remained, however, as to settlements and also by the apparent break, at times, by Germany and Austria when undersea ships would sink some merchant vessel.

Efforts were being made throughout the country to prevent the exportation of arms to the warring nations. Austria protested to the American ambassador at Vienna against the exportation of arms to England, France and Russia, claiming that such exportations were violations of neutrality since no such shipments could be made to Austria. Count von Bernstorff, the German ambassador at Washington, also protested. But America denied any violation and showed that both Austria and Germany had made shipments of war munitions to Great Britain during the Boer War.

At the same time there was also misunderstanding and friction between this country and Great Britain over the right of search. The United States also claimed that the blockade of the allies could not cover shipments by this country to neutral ports within the zone of blockade. Great Britain had also

declared cotton as contraband. That country claimed that no rights of neutrals would be violated, that the allies would adhere strictly to all international rules and the rules of war. The United States contended that the blockade of the allies was "illegal, ineffective and indefensible." The entente allies contemplated a virtual extension of the blockade that might have caused serious trouble. England proposed to include within the blockade European neutrals by rigid application of the "ultimate destination" doctrine. But sentiment even in the other warring nations, as well as in England, was against it and so it was dropped. The Pope's efforts at this time to bring about an agreement between the warring nations was not successful.

Pro-German activity throughout the United States was disclosed throughout the year. It brought about the recall of Dr. Dumba, the Austrian ambassador, requested by this country; and also in the recall of Captains Boy-Ed and Von Papen, military and naval attaches. Several conspirators were sentenced to serve prison sentences.

The war brought lessons also of the value of preparedness. There was, however, a difference of opinion throughout the country as to its value. There were those who saw in the war the lesson of not being prepared and the necessity of this country having an armament on water and land second to none in effectiveness. There were differences of opinion as to just how powerful this should be; some urged the necessity of compulsory military service. The argument of the preparedness advocates was that only by being powerful could we avoid war. It resulted in legislation which will bring a stronger army and a navy second only to England. The peace advocates saw in the war the result of too much preparedness, too much armament. Their plea is that

war will surely come if we are over supplied with men and guns and ships. War could never come through international disarmament and we should preach and show the way.

The Mexican situation occupied the constant attention and presented new phases and entanglements almost daily. For the third time since he assumed office the president appeared before Congress on August 27th, 1913, and read a message explaining the Mexican situation and his own policy. He held that we should look primarily to the welfare of a neighboring country with which our own relations for a long time have been those of chief friend and adviser. He did not expect the establishment of peace and order through the regime then in the City of Mexico. Mr. Lind's mission had seemingly failed. He expected to take such steps as would remove all possibilities of friction between the two countries and make less the likelihood and the necessity of armed intervention. \* \* \* High handed action, however, on the part of Huerta could not be ignored. The latter caused the arrest of 110 members of the Mexican Chamber of Deputies and practically declared himself dictator. The Constitutionals, under Carranza, were carrying on a successful revolt. Early in 1914 Huerta defaulted on the Mexican debt, foreign and domestic, failing to pay the interest on the same. In April, 1914, our president ordered a great naval force to assemble before Tampico. A few days earlier several American bluejackets had been arrested and detained by Mexican soldiers who were in control at Tampico. They were immediately released and apologies were offered by the Mexican authorities. Following the usual custom among nations, Admiral Mayo demanded a salute of twenty-one guns in honor of the American flag, which through its uniformed forces had been treated with indignity by

Mexico. General Huerta and his governmental and military chiefs decided to refuse the salute, but offered one of five guns. With the approval of Congress, orders were given for the navy to occupy Vera Cruz. The Mexicans opposed the landing of the marines, resulting in the death of four and in the wounding of twenty. There was a large loss of life on the part of the Mexicans. Conditions were such that a state of war existed between the two countries. By a policy of non-interference and in other ways the administration was showing its sympathy with the revolutionary forces.

At the earnest behest of the representatives of Argentina, Brazil and Chile (the A. B. C. representatives), meditation and conference between authorized delegates of the two countries and the mediators was arranged. The situation in which the United States found itself was a strange one. From a declared policy of non-interference to one of forcible occupation of another country's chief port is quite a step. This, too, because of a demand for the *amende honorable* from a ruler whom we would not recognize. Difficulties beset Huerta on every hand. Unable to obtain money, with the Constitutionals drawing closer the net, he made a farewell address to the Chamber of Deputies and departed, boarding a ship which was waiting for him.

But with Carranza coming into power other difficulties and troubles arose for Mexico. Villa was a thorn, Zapata was another. With Huerta gone there was no longer a community of interests. Villa revolted, while Zapata had not even made a pretense of ceasing his opposition. Meantime, the president, upon the reports of his special representatives, Messrs. Fuller and Silliman, decided that the time had come for the evacuation of Vera Cruz and on October 10th the American troops under General

Funston left that city. There was a strong demand throughout the United States for intervention. Americans were being killed and others had suffered losses of property. It was indeed a time of trial and the newspapers throughout the country were declaiming against the lack of action on the part of the administration. To make matters worse, for the time being, for the policy to which the president had bound himself, Villa was losing ground and found himself compelled to resort to outlaw warfare. Conditions were on tenter hooks for the entire year of 1915 and the early part of 1916. Feeling against Americans ran high in Mexico and there was a strong feeling that Villa would resort to the killing and despoiling of Americans in order to gather caste.

Border troubles did culminate in an attack upon Columbus, New Mexico, by Villa and a band of desperadoes. Carranza permitted United States forces to enter Mexico in pursuit of Villa. In March, the president appealed to the country for aid in thwarting a conspiracy which had for its purpose war between Mexico and this country. In a statement issued from the White House he charged that a campaign of falsehood had been carried on through the newspapers of the country, "for the purpose of bringing intervention by the United States in the interests of certain Americans who were owners of Mexican property. In April, 1916, war seemed a certainty between the two countries. Carranzistas attacked a party of American troops and Carranza demanded the withdrawal of the American army. Trouble, however, was averted for the time being through a conference between General Obregon and Major General Hugh L. Scott. The Mexican de facto government sent another sharp note to Washington in May, again demanding the withdrawal of United States troops. But the president refused to withdraw until



Villa had been caught or until such time as the Carranza government could give satisfactory proof that it could cope with the situation. On June 21st a battle took place between a small number of Americans numbering 84 and about 800 Mexicans, who overwhelmed the smaller force, killing 13 and making prisoners of 23. Responsibility for this attack was assumed by Carranza. The American government in a sharp note demanded the release of the prisoners. The prisoners were returned on June 28th. The president called for the militia of several states to report to the border in accordance with the power centered at Washington through the new law governing state militia, which took effect in July.

A commission of representatives of both countries was appointed by President Wilson and Carranza, which met at New London, Conn., to find a peaceful solution to the problems which have presented themselves. In the meantime there is inaction on the border and some of the troops have been sent home.

## CHAPTER CXX.

1913-1916

### INDUSTRIAL ADJUSTMENTS AND UNREST 1913-1916.

Decisions of the United States Supreme Court.—Railroads Demand Increase in Rates.—Strikes and Unemployment Everywhere.—Strike in West Virginia.—In Michigan.—In Colorado.—The Industrial Relations Commission.—Opinions and Reports.—The Rockefeller Foundation.—The Threatening Railroad Strike in 1913.—In 1916.—Legislation in September, 1916, for the Eight Hour Day.—Strike Called Off.

Aside from the importance of such changes as the new tariff bill, the Federal Reserve bill and the Trade Commission and anti-trust laws taken up by Congress and treated in this chapter, there were other influences brought to bear on industry, business and finance, as well as on the country in general. Decisions of the United States Supreme Court, the European War, the general reaction from the period of depression, made the years 1915 and 1916 years of prosperity. In the latter part of 1913 the Supreme Court handed down the decision in the famous Minnesota rate cases which gave states the right to fix railroad rates within state territory. For instance, the Chicago & Northwestern was governed by the rules of the state of Illinois in shipments from Chicago to Zion City Illinois, but by Interstate Commerce Commission in shipments from Chicago to Kenosha, Wisconsin, a few miles from Zion City and just over the state line. This decision brought up considerable discussion and there was a growing sentiment that there should be national control over all railroads.

The railroads, in November, 1913, asked for per-

mission from the Interstate Commerce Commission to increase rates in the eastern and central sections. Louis D. Brandeis was retained by the commission as its counsel to examine the evidence in favor of these higher rates which was brought forward by the roads. It was not until August, 1914, that the Interstate Commerce Commission handed down its decision on this application, giving the requested increase to points between Pittsburgh and the Mississippi, with some exceptions, but refusing such increase to points east of Pittsburgh. The railroads almost immediately requested a rehearing. To justify this request for a rehearing they showed figures on thirty-five railroad systems in the territory involved which showed a decrease for the fiscal year ending June 30th, 1914, in gross revenues of \$44,-700,000 and increase in operating expenses of \$23,-300,000.

The same year another important decision was handed down by the Supreme Court in reference to price fixing. The case came up through a manufacturer selling a patented tonic food with the stipulation that the retailer should not sell below one dollar. The retailer persisted in selling below that price. The Supreme Court ruled that the seller could make any price he chose, that even though the article was patented, the selling price is a matter for the retailer to fix.

Trouble loomed large in West Virginia in connection with strikes. A committee was appointed by the United States Senate which investigated conditions in the bituminous coal fields of that state. There was a bitter strike in Paterson, New Jersey, among the silk workers, which lasted for more than five months. Other big strikes took place in the copper mines of Michigan and in the coal fields of Colorado. The former began in July, 1913, the men

claiming the right to organize as members of the Western Federation of Miners and for a standard minimum wage. Efforts had been made to arbitrate. Seventy-two persons had lost their lives at a largely attended popular gathering at a false alarm of fire, and this made the situation even more tense. In the Colorado coal fields the strike had begun in September, 1913, and lives had been lost in skirmishes between the militia and armed strikers. The state showed inability to cope with the situation and United States troops were sent to the scene of the trouble. There was immediate disarmament of both strike breakers and strikers. The president's proposal of a tentative basis for the adjustment of this strike, based upon reports to him of two of his representatives, was agreed to by the mine owners only as to four provisions, but was rejected as far as the most important points were involved. Later a commission appointed by the president to study the situation rendered its report. It found that four hundred indictments had been returned in that state, all against strikers. A "festering sore" had been left on public opinion and also that in some cases the men had suffered great injustice. It was recommended that the Federal Trade Commission study the economic side of coal mining with a view to preventing waste and putting the industry on a basis of giving maximum steady employment and safety.

There were strikes throughout the country, great unrest prevailed and unemployment was a big problem in 1913-1914. It resulted in the appointment of a commission on Industrial Relations, of which Frank P. Walsh of Missouri was made chairman. This body called many witnesses before it, with the idea of getting the thought of the country upon the problem before it. It makes exceedingly interesting history to note what some of these men have to say.

They represent the various phases of life in the community.

Roger W. Babson attributed the unrest to "absentee control of industries." Samuel Untermyer denounced the concentration of wealth in the hands of a few. Ida Tarbell advocated scientific management and co-operation with employees. Daniel Guggenheim declared that the state and the rich must improve labor conditions. Edward J. Berwind, the coal operator, told of welfare work in thirty-five mining camps. George W. Perkins suggested co-operation with federal regulations. Henry Ford said "we will guarantee to take every man from Sing Sing and make a man of him." Samuel Gompers declared the unrest and discontent were forerunners of reform. Louis D. Brandeis compared political liberties and industrial absolutism—the remedy to him was industrial democracy. John D. Rockefeller, Jr., testified as to the millions given by his father and him. Dr. Charles W. Eliot advocated that labor have a compelling voice in a corporation's affairs and he denounced boycotts and blacklists. John Hays Hammond denounced the tactics of some labor leaders; he favored an American wage standard and restriction of immigration. John R. Lawson, Colorado strike leader, criticised the testimony of Rockefeller, Jr., and declared that millions withheld from the workers were given away in "showy generosity." Amos Pinchot attacked the Associated Press and charity foundations. John Mitchell opposed collective bargaining which, to his mind, put the worker more completely in the power of the employer. J. P. Morgan had no opinions to offer nor did he think directors of large corporations responsible for labor troubles. Morris Hillquit declared the Rockefeller Foundations as "business enterprises at bottom." Andrew Carnegie testified and gave a resume of his relations with



labor, stating that with the exception of one dispute which involved contract breaking on the part of the men he had never found a determined effort to commit wrong on the part of labor. John D. Rockefeller, Sr., said that he had made public gifts of \$250,000,000. He stoutly defended his motives in creating the Rockefeller Foundation. He conceded labor's right to organize.

Other men testified. The final reports of this commission were divided into three parts, there being a division of opinion as to the findings. The men representing the public, the employees and the employers, each group gave its findings.

The Commons report for the public found as follows:

"The greatest cause of industrial unrest is the breakdown of the labor laws and the distrust of our municipal, state and national governments." The report outlines a plan for remedying conditions through the institution of a permanent Industrial Commission and Advisory Council. The employees' side was represented in the Manly report which, summarized, is as follows:

1. Unjust distribution of wealth and income.
2. Unemployment and the denial of opportunity to earn a living.
3. Denial of justice, in the creation, in the adjudication and in the administration of the law.
4. Denial of the right and opportunity to form effective organizations. Remedies are also suggested in the report.

The employers' side was presented in the Weinstock report. It dissents from the recommendation that the secondary boycott should be legalized, finds that the employees have many just grievances and are thoroughly justified in organizing. It explains the objections employers have in dealing with organ-

ized labor, as follows: Sympathetic strikes, jurisdictional disputes, labor union politics, contract breaking, restriction of output, prohibition of the use of nonunion made tools and materials, closed shops, contests for supremacy between rival labor unions, acts of violence against non-union workers and the property of employers, and apprenticeship rules. The commission investigated many strikes and reported its findings.

In connection with this it may be well to speak of the Rockefeller Foundation, which was the subject of much attack at the hearing of the Commission on Industrial Relations. The Foundation is an indication of the time, the demand for efficiency and study in philanthropy as in other undertakings. The report of the Foundation is that it has extended its influence to 1,000,000,000 people in two years, spending \$6,986,984.45 in the twelve months up to December 28th, 1915. The most important work of the Foundation was against the hook-worm, the second most important, war relief. The General Education Board donated \$375,000 to four of the smaller colleges. There was of course other work the Foundation did and other donations were made through the General Education Board and through the Foundation itself. Contributions were made of \$1,500,000 to Johns Hopkins University and several large gifts were made to Cornell Medical College.

At a conference held on July 14th, 1913, at the White House, the threat of a great railroad strike was the subject of discussion. The brotherhoods of conductors and trainmen on the eastern railroads had demanded a new scale of increased wages and the railroads had declined to negotiate the question. The men had already voted overwhelmingly for a strike. The leaders of the workers were ready to arbitrate under the provisions of the law known as the Erdman

Act, but the railroads refused to do so, claiming that the Erdman measure was defective in many ways. This contention on the part of the railroads was true and steps to remedy it had already been taken in the Senate at the earnest behest of civic organizations, labor leaders and railroad presidents. The House rushed the same measure through. The members of the new Federal Board of Mediation appointed through this act in its revised form were William L. Chambers, Martin Knapp and G. W. W. Hanger.

In November, 1913, this arbitration board awarded seven per cent increase to the railroad men as against the 21 per cent that they had asked for. The increase was based on the added cost of living as against 1910.

That the measure was not a panacea was proven three years later, in 1916, when trouble again came up between the railroads and the brotherhoods. The president again tried to settle the difficulties when the time of the strike seemed but a day or so away and when arbitration seemed hopeless. This time it developed that the railroad managers desired arbitration but that the men did not. The men were willing to listen to the compromise the president suggested—an eight hour day without time and one-half for overtime, both of which they had demanded. The managers, however, contended that they could not afford to pay for eight hours on a ten hour basis. They made a strong point of their insistence of the principles of arbitration.

Unable to get the railroads to agree to the compromise and with the strike called for Monday, September 4th, the president brought a proposed measure dealing with an eight hour standard work day for employees on common carriers before Congress. Congress passed it almost at once. Upon the passage by both houses the brotherhoods called off the strike. The president signed the bill almost at once.













